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Near East/South Asia Report

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NEAR EAST/SOUTH ASIA REPORT

CONTENTS

INTERNATIONAL AFFAIRS

REGIONAL AFFAIRS

Efforts To Reconcile Syria With Iraq
(Ihsan 'Abd al-Qaddus; AL-SHARQ AL-AWSAT, 2 Jul 86) 1

Soviet Middle East Policy Analyzed
('Imad al-Din Adib; AL-SHARQ AL-AWSAT, 17 Jul 86) 4

OPEC's Pricing Strategy Examined
(Sayyid Ahmad; AL-SHARQ AL-AWSAT, 4 Jul 86) 7

Briefs
Financial Credit for Syria 10

ARMENIAN AFFAIRS

Greeks Refute Turkish Claim of Turks 'Massacred by Armenians'
(MARMARA, 7 Jul 86) 11

Turkey, Syria Reportedly 'Bargain Over ASALA'
(JAMANAK, 23 Jun 86) 12

ARAB EAST/ISRAEL

BAHRAIN

AL-KHALIJ Talks With Minister of Labor
(Khalifah Salman Al Khalifah Interview; AL-KHALIJ,
7 Jul 86) 13

Greenhouse Gardening in Wide Use
(Hafiz Imam; AL-ADWA', 28 Jun 86) 16

IRAQ

Briefs
Student Unrest at Universities 18

JORDAN

Trade Agreement With Iraq Facing Obstacles
(AL-HAWADITH, 13 Jun 86) 19

Former Minister Discusses Problems in Financial Sector
(Jawad Al-'Anani; AL-IQTISAD WA AL-A'MAL, May 86) 22

KUWAIT

Labor Minister Addresses International Labor Conference
(AL-RA'Y AL-'AMM, 10 Jun 86) 26

LEBANON

Birri on Tripartite Agreement, Syrian Presence
(Beirut Domestic Service, 12 Jul 86) 32

Paper Analyzes Syrian Deployment
(Radio Free Lebanon, 11 Jul 86) 34

Ja'Ja, Sa'adah Address Rally Honoring Martyr
(Radio Free Lebanon, 12 Jul 86) 35

Briefs
Soviet Envoy Visits Sidon 37
Phalangist Leader Meets USSR Ambassador 37
'Resistance' Destroys Israeli Tank 37
Red Cross Officials Wounded 38
Syria Seizes Amal Tanks 38
Hubayqah Seeks Asylum 38
Possible Rapprochement With Syria 38

PALESTINIAN AFFAIRS

PLO Representative in Cairo Discusses Relations With Egypt
(AL-TADAMUN, 5-11 Jul 86) 39

Woman PLO Member Describes Movement
(Rima Salem Interview; EL NUEVO DIARIO, 8 Jul 86) 42

SAUDI ARABIA

Official Discusses Country's Nuclear Energy
('Amir Ahmad; AL-SHARQ AL-AWSAT, 20 Jun 86) 46

Saudi Business Community Optimistic, Oil Crisis Notwithstanding
(AL-BAYAN, 1 May 86) 49

SYRIA

Fertilizer Plant Faces Administrative, Personnel Problems
('Ali Ma'ruf; TISHRIN, 9 Jun 86) 52

Dar'a Carries Out Irrigation, Agricultural Projects
(Munir Sallum; TISHRIN, 4 Jun 86) 59

UNITED ARAB EMIRATES

Problems Facing Contractors Examined
('Ali Lashin; AL-BAYAN, 24, 29 May 86) 63

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

Yemeni Council for Peace Elects New Officials
(ENGLISH DAILY BULLETIN, 17 Jun 86) 70

Cabinet Session Views Trade With Bulgaria
(ENGLISH DAILY BULLETIN, 17 Jun 86) 73

SOUTH ASIA

AFGHANISTAN

Soviet Moves Believed Deliberate
(Jean-Christian Kipp; EST & OUEST, No 32, Jul-Aug 86) 74

IRAN

Montazeri Urges End to Fighting in Lebanon
(KEYHAN, 7 Jun 86) 79

Kho'iniha: Religious Awakening Can Remove Israel From Region
(KEYHAN, 7 Jun 86) 81

Construction of Housing Complex for Workers Announced
(KEYHAN, 12 Jun 86) 83

Official Discusses Process of Military Training for Students
(JOMHURI-YE ESLAMI, 27 May 86) 85

University Quotas Set Aside for Family of Martyrs
(JOMHURI-YE ESLAMI, 29 May 86) 88

NEPAL

Commentary Views, Criticizes Budget
(B. P. Shrestha; THE MOTHERLAND, 14 Jul 86) 90

Commentary Discusses Energy Use, Development
(THE RISING NEPAL, 16 Jul 86) 93

Survey Reports Statistics on Education, School Enrollment
(THE RISING NEPAL, 13 Jul 86) 96

Briefs
Royal Couple To Visit FRG 98

PAKISTAN

Government, Citizens Urged To Curb Lawlessness, Build Democracy
(Editorial; JANG, 13 Jun 86) 99

SRI LANKA

Tamil Resistance Leader Warns Sweden Aid Projects in Danger
(Goeran Beckerus, Charlotte Wrangberg; DAGENS NYHETER,
9 Jun 86) 102

/9987

EFFORTS TO RECONCILE SYRIA WITH IRAQ

London AL-SHARQ AL-AWSAT in Arabic 2 Jul 86 p 9

[Article by Ihsan 'Abd al-Qaddus; date and place not specified]

[Text] There is no doubt that Arab public opinion is most eagerly awaiting the results of an attempt being made to achieve a reconciliation between Syria and Iraq. The attempt was begun by King Husayn when he succeeded in simply opening the door to a dialogue between the two sides. The foundations of the existing dispute were placed within a framework that permits the dialogue to continue together with the previous attempts undertaken by the Saudi leaders who are still working hard to bring about a reconciliation.

The success of the attempt was heralded by the fact that King Husayn himself learned from it that he could confront the real world politically. His entire political history rested on the political ability with which he has recently been confronting the real world. The real world impelled him to restore full relations with Egypt. He was the only Arab leader to announce officially the resumption of these relations. In restoring them he was not content merely with pragmatic dealings. He also came at this time to seek a reconciliation with the Palestine Liberation Front after many years spent in violent dispute with it. Then, despite the complete estrangement of the PLO or Yasir 'Arafat from Syria, King Husayn began at the same time to restore his relations with Syria.

If a dispute occurred between Jordan or the PLO during this time, it would have led to a break in political solidarity, for the dispute was not what impelled it to restore relations with Syria. The factors that led to a reconciliation with Syria are not the same as those underlying the dispute with the PLO. Jordan also sought a reconciliation with Egypt while preserving its reconciliation with Egypt despite the marked estrangement of Syria from Egypt. This recent political history heralded the success of an attempt to achieve a reconciliation between Syria and Iraq.

The solidarity between Syria and Iraq has always been the most powerful manifestation of the solidarity imposed by the geographical unity between the two countries in addition to the natural complementarity of the location of each relative to the other. The attempt to achieve complete Arab unity at the end of the Ottoman empire began with an attempt to unite

Syria and Iraq. All the attempts failed even with the difference in the regimes of the unionist entity for which any attempts was striving.

Despite this failure, Syria and Iraq always represented the power of a single Arab front called the Eastern Front while Egypt and the adjacent Arab states represented the Western Front.

All the political dreams that seek to establish the power of the Arab entity rest on the reality of the two fronts, i.e., the Eastern and the Western fronts. Indeed, many of the details of the events were dependent on this reality. At the same time the most obvious intention of the imperialist mind which ruled the Arab world, i.e., the British and French mind, was to bring about a state of perpetual estrangement between the two fronts so as to create the clear impression that they are continuously at war with each other. This was in addition to the imperialist aim of dividing the countries belonging to thetwo fronts in order to prevent either of them from gaining complete power, i.e., the division between Syria and Iraq of the Eastern Front or between Egypt and Sudan of the Western Front.

Then the foreign imperialist mentality reached the point of destroying the basis on which the two fronts rest, that is, the basis of the unity of the Arab entity, and tried to create a new concept unrelated to the stimulus of the Arab entity. This was the concept of a division between the African and the Asian countries, even though all were Arab countries, i.e., the Arab world does not rest on fronts, but is divided by nature between two continents in such a way that they cannot be brought together by the unity of the entity. This concept had no real effect on the deep-rooted feeling for the Arab entity on which the Arab world rests.

The failure to achieve the unity of the Arab entity in any political form, either unity between the Arab countries or between the Eastern and Western fronts or within each front, has persisted. The failure has reached the point where no form of unity can be achieved between Syria and Iraq. When the Ba'th Party, which was founded and they progressed in Syria, succeeded in bringing together Syria and Iraq with a single orientation and a single political ideology, there was hope of laying the foundations of unity between the two countries even if it did not embrace the unity of government and it was content to rest on the unity of orientation, unity of policy, and unity of the elements of internal organization.

However, the Ba'th Party undertook to proclaim general principles without defining the methods of implementing them. The main principle was that of "on Arab nation," but the structure and details on which this one nation could rest were not specified. Therefore, the two countries that belonged to one political party began to differ about specifying the structures and details and argue about the procedures for cooperation between the two countries. The dispute became so violent that some believed it to be over government power, i.e., over who was to be the supreme authority in governing the two countries and guiding them in view of the fact that both represent a single people, i.e., who governs whom, so that the dispute was linked to the person of each of the two rulers.

Namely, it was linked not to general principles, but to the nature of the personality of each ruler.

The dispute reached its ugliest and most dangerous stage after war was declared between Iraq and Iran.

Although we are concerned with the recent attempt at obtaining room, however narrow, for reconciliation between Syria and Iraq, the attempt can undoubtedly bring a halt to the war between Iraq and Iran even if the alliance between Iran and Syria continues, for the alliance provides Syria with opportunities for controlling the Iranian tendency.

Indeed, the achievement of a reconciliation between Syria and Iraq can even directly affect the situation in Lebanon and, consequently, also directly affect the position of the PLO.

The possiblity if a reconciliation is dismissed and opposed by American policy. I read in some publication that the Americans fear that it would result in Iran's moving toward an alliance with the Soviet Union, which now supplies it with a variety of weapons through Syria. If Iran should lose confidence in Syria after a reconciliation with Iraq, it would be forced to import arms directly from the Soviet Union by allying itself with it.

Israel, too, is directing all its political activity at thwarting the attempt to reconcile Syria with iraq because it regards such a reconciliation as a revival of the Arab Eastern Front and recovery of its power. It is easier and more favorable for Israel to confront Syria and Iraq when they are estranged than to confront them, even politically, as a united and reconciled force that might come to adopt the same stand and same plan of action. Iran, of course, refuses this reconciliation in any form because it is a direct threat to its ability to prolong the war even though Syria has continually tried to cooperate with it.

Reconciliation between Syria and Iraq cannot be achieved except by the power of faith in the Arab reality as a reality that cannot exist unless unified, independent powers meet their principal ojbectives, however numerous the personal inclinations may be.

Unfortunately, the stimulus of faith in Arabism has thus far not inspired us with confidence that the attempt at reconciling Syria with Iraq will succeed.

5214/12640
CSO: 4404/406

SOVIET MIDDLE EAST POLICY ANALYZED

London AL-SHARQ AL-AWSAT in Arabic 17 Jul 86 p 9

[Article by 'Imad al-Din Adib; date and place not specified]

[Text] What is the future of Soviet policy in the Middle East? What are the Soviet political goals in the Gorbachev era? Is Mosocw trying to change its modus operandi or continuing on the same path followed by Stalin, Khrushchev, Brezhnev, Chernenko, and Andropov?

It is incumbent on all those concerned with the affairs of this region to raise questions which have raised their heads on the name of international politics and answer them whether they are for or against Soviet policy or are neutral.

Soviet affairs, in general, are regarded as among the most difficult and complicated things for any writer to research because of the scarcity of information and the inability to rely on official Soviet figures and statistics.

Perhaps one of the most important studies is "Moscow's Arms for Oil Diplomacy," which was published by the scholar 'Atif 'Abd-al-Jawad in the last edition of the American periodical FOREIGN AFFAIRS.

Using this important study we shall try in this article to shed more light on unknown, at least to us, points relating to Soviet policy.

The Strange Equation

The Soviet Union specializes, says the American journalist James Reston, in creating impressions completely different from what it wants to do.

Perhaps the most conspicious example of what is said about the approach of Soviet policy is the former Chinese Premier Zhou Enlai's description of the Soviet warning given at the time of the third attack on Egypt. He said: "This warning was delivered by a rifle empty of bullets."

The prevailing impression of the Soviets is always the complete opposite of the truth.

Some do not know or pretend not to know the commercial aspect of the mind that makes the political decisions in Moscow.

For the sake of "oil" and the sale of "arms" the Soviet Union decided to change many alliances and entire revolutionary political movements in order to be able to protect its commercial interests.

When, for example, we observe the Soviet Union's stand on the Iraq-Iran war, we see that it was the first to support the Iranian revolution and describe it as an extension and a victory for the world revolutionary movement, and it then turned around to make a number of arms deals with Iraq.

Thus far the contradiction appears to be on the slogan level. But even stranger is the fact that when the Soviet Union obtained oil as the price of its role in the Gulf war, the surprising thing revealed by the scholar 'Atif 'Abd al-Jawad is that most of the oil reaching Soviet ports was resold to the outside world for hard currency from which the Soviet economy is suffering [a shortage].

So the Soviets participate in the regional struggles without a principled or firm policy. Their main purpose is to exchange arms for oil which they sell to the West for hard currency.

This is the key to a true understanding of what motivates Moscow. Thus, the Arab left can reassess its idealistic view of "the Soviet Union as a great friend, supporter of persectued peoples, and defender of revolutions."

It also enables us to understand the Soviet Union's eagerness to establish relations with the Arab Gulf states which produce 370 billion barrels of oil or 60 percent of the total world oil production.

Most of the major special trade relations between Moscow and the Gulf began when a Kuwaiti oil consortium signed a treaty in 1983-1984 to make a $100 million loan to facilitate Soviet investments.

It is also possible to understand the Soviet's increasing concern over oil when you realize that Soviet production from energy is clearly diminishing from year to year and that the output of 37.6 mbd is decreasing every year in a way that disturbs the Soviet decision-maker.

Oil constitutes more than 40 percent of the Soviet Union's energy requirements and 60 percent of the sources of its hard currency.

American studies show that soviet oil reserves are between 80 and 100 million barrels, i.e., enough to supply the country for the next 10 to 22 years.

So if an Arab researcher should put himself in the place of the Soviet decisions maker with full awareness of the significance and truth of these statistics, he will certainly be apprehensive, if not almost "panicky" about the future.

The Islamic Element

The Soviet Union's concern is intensified, in spite of itself, by the existence of more than 50 million Muslims one-third of whom are concentrated in the Central Asian republics.

Studies show that in view of the steady growth of the Soviet Muslim population, it may number more than 85 million by the year 2000.

At the same time it is difficult for the Soviet Union to isolate these Muslims from the effects of the war in Afghanistan, from the Islamic world, or from the modern Islamic consciousness.

It is also difficult for Mikhail Gorbachev's government, which proclaims slogans of progressive methods and a new style in dealing with matters relating to individual freedoms, to prevent the Soviet Muslims from beginning to come together to form any kind of pressure force, either legally within general party congresses or as an underground force.

Clearly, Soviet policy is obtaining or harvesting most of its fruits not only from its actions but from the errors of the American administration, which is also motivated by its interests in arms, influence, trade, and energy.

While Soviet policy believes that anything is possible as far as improving its economic situation is concerned, American policy too is falling into the same.

It seems that selfish pragmatic thinking is no more the monopoly of an international power than anything else. It is a common factor in this complex and wonderful modern age in which power has become truth...and truth is not power!

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OPEC'S PRICING STRATEGY EXAMINED

London AL-SHARQ AL-AWSAT in Arabic 4 Jul 86 p 1

[Article by Sayyid Ahmad; Brioni, date not specified]

[Text] After 6 days of discussions the OPEC oil ministers assembled in Brioni decided to revive the long-range strategy committee headed by Saudi Oil Minister Ahmad Zaki Yamani and temporarily suspend the meeting for 4 weeks in order to carry out further consultations on quotas, production ceilings, and proposed prices and then reach an amicable agreement on lowering the organization's production from the current level estimated at 16 mbd to a level consistent with market requirements estimated by Kuwaiti Oil Minister Shaykh 'Ali al-Khalifah al-Sabah to be 17.5 mbd at the present time.

Production was the main issue before the conferees. Ten of the member states decided last April to try to increase the organization's market share while three states--Algeria, Libya, and Kuwait--opposed this, demanding that OPEC try to restore the $28 price by further reducing production.

The Brioni meeting did not make such a decision. However, the current figures indicate that the plan would require that the organization's production of 17.4 mbd during the third quarter of this year rise by half a million more barrels in the last quarter and that production for the year average 17.6 mbd. The purpose of this is to reach a price level of $17 to $19 per barrel.

The Choice Is Not Arbitrary

A high-level ministerial source told AL-SHARQ AL-AWSAT that this price level was not chosen arbitrarily. Rather, it was intended to achieve three goals:

1)--Keeping prices at this level will lead to the shutdown of many wells, especially in the United States, of the stripper well variety whose output is 1.8 mbd. These wells are now working at a loss, but are continuing to do so in the hope that prices will return to over $20. If this hope is lost, they will not continue and will remain plugged forever.

2)--This price level will also prevent new explorations, especially in the North Sea, which need a price per barrel of over $20 in order to be profitable. It will also prevent a move to other sources of energy.

3)--Hinting at this price level can serve as a means of pressuring non-OPEC producers to cooperate and agree to a voluntary lowering in addition to a compulsory one imposed by the market price level. The source revealed that about half a million barrels per day are expected as the share of these countries.

The purpose was, and still is, to increase OPEC's market share. Shaykh 'Ali al-Khalifah noted that at every meeting they closely examined the figures showing an increase in demand for oil and adjusted them upward and that the figure of 18 million barrels, for example, which was mentioned at the April meeting as OPEC's market share and regarded as unrealistic at that time, now appears to be more reasonable.

Informed sources also told AL-SHARQ AL-AWSAT that about a million barrels per day can be added to OPEC's share next year.

These sources did not appear to be disturbed by the failure to reach an agreement on a production ceiling and quotas because the failure is due to the small size of the pie, which has been increasing from month to month, and because of operational factors, for no matter what they say about quotas, they must concentrate on the last quarter since it is too late to do anything about the third quarter (the fourth quarter began yesterday, 1 July) inasmuch as contracts for the purchase of oil and the rental of tankers are usually signed ahead of time.

The sources also observed signs of flexibility by the minority hardliners--Iran, Libya, and Algeria. Iranian Oil Minister Qalam Raza Agazadeh said that his country's stand requires retaining the old quotas under the 16 mbd ceiling. Its previous stand required a lowering of production below that level by 2 million barrels.

They added that it accepts a price of $17 to $19 but only for a short time. It is a step toward restoring the previous official price. This stand also differs from the former one which called for efforts to restore the $28 price at once.

The second major decision deals with the strategy committee, which was formed in 1978 from the five countries that founded the organization, i.e., Saudi Arabia, Kuwait, Iraq, Iran, Venezuela, and Algeria.

The committee's concern at that time was both with the way in which the producer countries could obtain sufficient revenues from their dwindling wealth and with the consuming countries learning how to get a barrel of oil and at what price, for at the time there was a scarcity of supply and the prices were continuously fluctuating.

The committee decided to try to formulate the strategies that the organization had to follow with respect to prices, production, and OPEC relations with the producing and consuming countries, apparently with the aim of the organization's regaining control of the market.

A positive sign of the revival of the committee was the fact that the meeting did not produce a decision by the majority opposed by the minority. The reason is that the organization, which tries to formulate long-range strategy, needs a unified stand and view. The stand of Algeria and Iran is in conflict with that of the other four members of the committee which calls for the organization to get a larger market share. But there is reason to hope that the increasing closeness of the views on continued improvement in the market will be in OPEC's interest.

How do you think the oil market will react to the Brioni meeting? Shaykh 'Ali al-Khalifah expects prices to fall slightly from the current level and fluctuate between $11 and $13 a barrel, but only for a short period of time because of the steady increase in demand. Then too, winter is on the way.

A high-level ministerial source told AL-SHAHQ AL-AWASAT that prices can fall below $10 a barrel during this month because of 2 million barrels floating in tankers from the commercial supply. However, this, in turn, will increase the pressure on the other producers, resulting in the plugging of more wells and greatly enlarging the field for OPEC production. The prices will then rise, especially since government and regular supplies are at their lowest levels.

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BRIEFS

FINANCIAL CREDIT FOR SYRIA--Jeddah, 19 Jul (SPA)--An agreement was signed at the Islamic Development Bank in Jeddah today whereby the bank will finance Syria's import of $6.5 million worth of jute from Bangladesh. The agreement was signed by Ahmad Muhammad 'ali, governor of the Islamic Development Bank, and Muhammad al-Tal, Syrian Ambassador to Saudi Arabia. With the signing of the agreement, the bank's financing of credit for Syria since the beginning of the current Hegira year, 1406 [September 1985-86], totals U.S. $36,425,000. [Text] [Riyadh SPA in Arabic 1410 GMT 19 Jul 86 LD] /9738

CSO: 4400/238

GREEKS REFUTE TURKISH CLAIM OF TURKS 'MASSACRED BY ARMENIANS'

Istanbul MARMARA in Armenian 7 Jul 86 p 1

[Text] MILLIYET writes that the Greek paper APOGEVMITINI, appearing in Athens, has stated that the Turkish government's claims that a mass grave of Turks killed by Armenians has been discovered in Erzerum are not true. The Greek paper insists that those dead are not Turks but Armenians.

According to the Greek paper, the Armenians could not have carried out such a massacre because they were only a minority in the country. Further, the paper points out that it is no longer possible, after 68 years, to ascertain to which people those bones belong. The paper writes also the following: "You will ask why should graves discovered in another country interest us. That is not so. The Turks falsify history with such claims. Perhaps the discovery of mass graves in recent times is the result of a diabolical accident."

12364/12951
CSO: 4505/59

TURKEY, SYRIA REPORTEDLY 'BARGAIN OVER ASALA'

Istanbul JAMANAK in Armenian 23 Jun 86 p 1

[Text] The English periodical FOREIGN REPORT, basing on news from western security circles, informs that Turkey has promised to give Syria a greater quantity of water if the latter terminate the assistance she has given to the Armenian terrorist organization ASALA.

FOREIGN REPORT which forms part of the celebrated Economist publications and is distributed to its special subscribers, devotes its last issue to the examination of the economic and political problems Syria is facing at the present time.

After pointing out that the dams being built on the Euphrates will increase Syria's economic problems, the paper draws the following conclusion: "The plans to make maximum use of the waters of the river Euphrates that originates within Turkish boundaries, will surely add to the economic troubles of Syria."

Syria complains that the waters flowing to its land are diminishing while at the same time the Turks are pushing ahead their activity in the south eastern region, and while on the one hand, they have already started collecting the water reserves for a dam, they are also working on collecting the water for a second dam.

Turkey has adopted a totally different approach to the Syrian complaint. Turkey says that she has no desire to cause water shortage in Syria on condition that the latter obstruct the activities of the Armenian terrorist Center ASALA in the Beka'a region.

12364/12859
CSO: 4605/56

AL-KHALIJ TALKS WITH MINISTER OF LABOR

Al-Shariqah AL-KHALIJ in Arabic 7 Jul 86 p 13

[Interview by Iman 'Ali: "Bahraini Minister of Labor States that a Standardized Labor and Social Security Law is Sought in Gulf; the Bahrain-Saudi Causeway Beneficial to Economy"]

[Text] As the Bahrain-Saudi Causeway nears inauguration, AL-KHALIJ was keen to interview Shaykh Khalifah bin Salman bin Muhammad Al Khalifah, Bahraini minister of labor and social affairs. He was asked about the causeway's impact on labor relations between Manamah and Riyadh and about other labor and social issues:

[Question] When the causeway opens, do you expect Bahraini workers to flood Saudi Arabia? What type of workers will they be? Will your ministry enact laws or regulations for coordination between the two countries?

[Answer] I would like at the beginning of this interview to salute AL-KHALIJ newspaper and laud the role it plays in supplying its readers with ideas and information to help them understand the circumstances, events, and changes currently taking place in the region. AL-KHALIJ is also attentive to social and labor issues and constantly seeks to highlight the various experiments and expertise in the Arab Gulf states.

In answer to your question on labor migration after the causeway opens, I would like to point out that one of the main objectives of the Standardized Economic Agreement between GCC members is to work towards the free movement of labor within the group. The GCC, through its various agencies, is working to accomplish this goal by implementing the various stages of the agreement and laying the foundations necessary to ensure for GCC citizens the freedom to migrate and change residence. The free movement of labor is always the natural outcome of any system for economic complimentarity between a group of nations. Such freedom of movement requires the availability of transportation and shelter for workers seeking employment or contracting for work.

The GCC ministers of labor and social affairs are seeking agreement on several steps that could help accomplish this goal over several successive stages including the preparation of a draft standardized labor law embodying certain basic principles suitable for implementation in all the GCC states.

Labor moving from one GCC country to another seeking employment will therefore be guaranteed the same legal principles that regulate relations with employers and facilitate the acquisition of jobs. The details would be left for each state to work out in accordance with its requirements and labor situation. The GCC ministers are also working for a standardized social security act embodying all the basic principles suitable for implementation in the GCC states in a manner that will guarantee uninterrupted benefits to itinerant labor. The GCC ministers of labor and social affairs also seek a unified system for gathering and exchanging statistics on human resources including vacancies and labor trends as well as general and specialized surveys of the labor force. This would provide data on the makeup and composition of the Gulf labor supply and would make it possible to encode the various job descriptions and labor skills and classify them in a unified directory that would facilitate matchmaking between vacancies and available workers. It is apparent, therefore, that the systems and guidelines necessary to attain this objective of free movement of labor involve all the GCC states and could possibly entail bilateral coordination [as written] between two or more countries depending on the size of the itinerant labor force.

As to the movement of labor between Bahrain and Saudi Arabia, we find that in the 1950s and 1960s many Bahrainis found employment in the eastern province, especially in the oil sector, thanks to the strength of familial ties between the two sister countries and because of the facilitation and patronage always provided by all the agencies in the province. Some Bahrainis still work in Saudi Arabia. I believe that the causeway, as well as the strong familial ties between the citizens of Bahrain and the eastern province will tend to fuse the labor forces in the two countries and will help in the transfer of labor, especially Bahraini technical workers.

[Question] If a Bahraini citizen worked in the private or public sectors, will he have the same rights as a Saudi citizen?

[Answer] The GCC states have already agreed to the principle of equal rights and duties for jobs in the private sector. The ministers at their last meeting in Muscat agreed to the parameters of such equality--that each state will give national treatment to private sector workers from other GCC states in so far as their job rights and responsibilities are concerned, in accordance with laborrules and regulations. Employers will be committed to equality in pay and other benefits between native workers and those from other GCC states. The exception would be privileges granted in the host country on the basis of nationality as long as they are available to its citizens regardless of their affiliation with a particular employer. Examples of such privilges are land grants, housing loans, and matrimonial aid.

Bahrainis presently working in Saudi Arabia are treated equally to Saudi workers with no job discrimination in rights or obligations.

[Question] Will the migration of Bahraini workers to Saudi Arabia have an impact on the market for jobs and services in Bahrain?

[Answer] Any movement will doubtless have negative and positive effects. We believe that the migration of workers within the GCC countries will bolster the historical ties and links between their citizens in a manner that will ensure continuous interaction and fusion. If this migration results in a labor shortage in certain areas, it will not be to a degree that is harmful to the national economy. The migration of labor also helps in the transfer of expertise and experience. The itinerant workers acquire many skills which would be beneficial to the national economy in the long run.

[Question] Have the Bahraini authorities concerned with labor, such as the Labor Bureau or the Chamber of Commerce, conducted any studies or seminars on the extent of the Bahraini labor migration to Saudi Arabia?

[Answer] Yes, there is coordination on these matters.

12945/12948
CSO: 4404/414

GREENHOUSE GARDENING IN WIDE USE

Manamah AL-ADWA' in Arabic 28 Jun 86 p 6

[Article by Hafiz Imam: "Why Doesn't Bahrain Move to the Next Stage in Protected Agriculture? Sadiq Al-'Alawi Says that the Experiment Has Been Successful in Saving Water, Fertilizer, and Labor"]

[Text] Agriculture in Bahrain is basically constrained by the type of water, drainage, the charteristics of the soil, the climate, and the scarcity of farm labor. In view of these limitations and of the need to develop the country's agriculture, we find that the technique of protected agriculture is the only solution to this problem faced by most of the countries in the region.

Initial experiments with that technique proved a total success in overcoming those limitations. This is why Bahrain has recently moved from the experimental stage to another involving wider implementation of the technique with the help of several experts from the Food and Agriculture Organization of the United Nations.

There are today more than 410 plastic greenhouses on private farms in Bahrain. Expanding the project will increase the number of such houses in the hope of more varied and more plentiful produce year-round.

What will wider application of the technique mean? It will mean savings in irrigation water, labor, and fertilizer. It will also mean a larger variety of agricultural products throughout the year.

Agronomist Sadiq Sharaf al-'Alawi, undersecretary of trade and agriculture for agrarian affairs, says that the technique of drip irrigation used in greenhouses effects greater production and considerable water savings over the traditional method of farming. He says that a ton of tomatoes needs 85 cubic meters of water in a greenhouse with up to 1191 cubic meters of water if produced in the traditional manner. This means that the same amount of water necessary to produce a ton of tomatoes in the open field can produce 39 tons under protected conditions.

So much for water usage. How about labor? The assistant undersecretary for agrarian affairs says that a dunum of land requires 40 man/days under

protective agriculture which is less than half the traditional 83 man/days. The technique would still be quite viable if those were its only advantages, but there is more...

Insecticides are needed in large quantities for open fields whereas they are used with discretion in greenhouses. Furthermore, the technique has made it possible to introduce varieties more suitable to the Bahraini climate and more resistant to insects such as the Monte Carlo strain of tomatoes which is also a prolific producer of up to 15 kgs per square meter. It has also made it possible to increase the variety of produce. Cucumbers and squash, for instance, are now planted on a wide scale in the winter, making squash available year-round.

Watermelons have been successfully planted year-round in greenhouses.

Superior varieties of vegetables, such as peppers and eggplants, are possible in greenhousing. Lettuce is planted only once in the open field whereas it produces three successive crops if grown in a greenhouse. Experts say that greenhousing assures success with vegetables that cannot be successfully planted outdoors, such as cucumbers, melons, and peas.

The next step in developing and expanding protected farming should be incentives for agricultural investment by the private sector. This could be a model project to supply investors with all economic data and encourage them to delve into this kind of investment by offering them various loans through the Bank of Housing Development. The question now is: How does the farmer who intends widespread use of greenhouses meet his increasing costs?

Dr 'Abd-al-Latif Kamal, FAO expert on protected agriculture, states that constructing greenhouses may cost more than traditional agriculture, but that the matter is being handled scientifically. We did not initially attempt to import complex greenhouses that need advanced technology to operate. Rather, we opted for simple versions that could be constructed in Bahrain without too much dependence on foreign expertise.

Materials needed to build these greenhouses, such as frames and water pipes, are available domestically. Plastic is imported and thus it behooves the GCC states to consider manufacturing it locally, especially since plants for petrochemical products are readily available.

Mr Ja'far 'Abd-al-Husayn, agriculture department official who currently supervises the domestic production and construction of greenhouses, agrees with Dr Kamal and expresses optimism that the production of greenhouses will be expanded not only in Bahrain, but in other GCC states and at reasonable cost as well.

The problem that faces Bahrain and the GCC states, though, is how to cool the greenhouses economically. Humidity is very high in Bahrain and desert cooling systems are ineffective. In general, according to Dr Kamal, the application of protected agriculture techniques has proven successful and economical in Bahrain and the Gulf states despite adverse climatic conditions. Greenhousing has enabled countries of the region to overcome many difficulties with water availability, soil characteristics, harmful insects, and weeds.

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BRIEFS

STUDENT UNREST AT UNIVERSITIES--Baghdad, Mawsil and Basra Universities have recently witnessed tumultuous student demonstrations against the policy of the ruling regime in Iraq and in protest against the regime's policy of throwing hundreds of students into its war against the revolution in Iran. The paratroop force of the Ba'thist regime in Iraq chased the students and teachers in an attempt to round them up, place them in camps and later transfer them to the frontlines with Iran. The newspaper MORNING STAR, citing reports from Baghdad, says that the student demonstrations at the Iraqi universities have met with wide support among the Iraqi population. [Text] [Tripoli Voice of Greater Arab Homeland in Arabic 0115 GMT 5 LD] /9738

CSO: 4400/238

JORDAN

TRADE AGREEMENT WITH IRAQ FACING OBSTACLES

London AL-HAWADITH in Arabic 13 Jun 86 p 55

[Article: "The Fertilizer Company Stumbles and the Phosphates Company Reduces Dividends. Jordanian Industries Expect an Antidote From Iraq"]

[Text] There is an outcry in Jordanian industrial circles for several reasons the most important of which are two--a domestic one in the form of protectionist measures by the state, and an external one caused by financial difficulties that hinder the implementation of the Iraqi-Jordanian trade agreement.

The Jordanian industrial sector began experiencing domestic problems when Mr Zayd al-Rifa'i's government instituted measures to encourage national industry and protect it from foreign competition. Measures were taken to protect industrial imports and to lower duty on raw material. This reduction in customs revenue coupled with the loss of duty on industrial imports caused a severe drop in national income which prompted the government to impose a value added tax on local industry which, in turn, increased the price of several domestic products in the Jordanian market.

The latest indication of the industrial sector's problems was the difficulties experienced by the Jordanian Fertilizer Company whose debts and obligations exceeded 60 million Jordanian dinars, equivalent to $177 million.

The enormity of these debts, most of which are obligations to the Arab Bank in Amman, prompted the Jordanian Government to decree the "sale" of the troubled company to the Phosphates Company--its major stockholder. This merger did not only transfer to the phosphates company the debts of the fertilizer company but also burdened it with an additional loss of 13 million Jordanian dinars which is the value of its 25-percent share.

Even though the Phosphates Company is the backbone of the Jordanian industrial sector, the burden of owning the fertilizer company was quickly reflected in its balance sheet. It was obliged to reduce last year's dividends to stockholders from 20 percent to 18 percent ostensibly to increase its voluntary reserves and to create a new reserve account of 4 million Jordanian dinars.

Informed sources in Amman believe that by issuing the dividends at all, the majority of the company's board overruled its chief executive who sought to withhold dividends altogether in order to preserve the "public trust" in the industries of the Jordanian private sector.

It would be natural amidst these difficulties for Jordanian industrialists to look with anticipation to the trade agreement concluded with Iraq earlier this year. This agreement was the last resort to revitalize the Jordanian industrial sector, especially since the Chamber of Industry in Amman asserts that of all the industrial firms in which the public sector owns shares, some 40 percent will be unable to distribute dividends this year.

But 6 months after the trade agreement with Iraq was received with open arms and high hopes, the industrial sector in Jordan is beginning to fear that marginal disputes over the agreement's fiscal obligations may hinder its implementation if not freeze it totally.

The Iraqi-Jordanian bilateral agreement is important because the Iraqi market absorbed some 25 percent of total Jordanian industrial exports in 1985, which is equivalent to $200 million of Jordan's income from industrial exports. Since the agreement stipulates that the volume of trade between the two countries be increased to $800 million, Jordanian industrialists were hoping to double their exports to Iraq but these hopes went unfulfilled, at least as of last May, causing the industrialists to complain publicly.

Sources at the Jordanian Chamber of Industry insist that the issue of payments is the stumbling block against doubling industrial exports to Iraq. In the aftermath of the terrible trade year of 1983, which saw the value of Jordanian exports to Iraq decline from $198 million to a mere $77 million, Amman began to issue Baghdad surety credits from the Jordanian Central Bank in order to help Iraqi importers fulfill their financial obligations to Jordanian exporters at a time when Iraqi petroleum revenues are declining and escalating fiscal burdens as a result of the war with Iran.

The central bank records such facilities under "miscellaneous external assets" in its report on gold reserves and foreign discounts. The value of these credits, at some $325 million in 1984, jumped to $475 million in January of 1986.

The actual value of these credits would have been much higher than indicated by the Central Bank except that Iraq is supplying crude to the Jordanian refinery at al-Zarqa', in addition to the 4,000 tons of crude being shipped daily to the port of 'Aqabah to fulfill Iraq's barter obligations to Brazil in return for Brazilian assembled Volkswagon buses.

Iraqi crude refined at Zarqa' supplies one-third of Jordan's oil consumption. It is shipped to the refinery in huge overland tankers, as is the case with crude exported to Brazil via 'Aqabah. The value of Iraqi crude is periodically deducted from the debts of Iraqi exporters accrued from the credits placed at their disposal by the Jordan Central Bank. Even though barter operations between Iraq and Jordan seem practical and easy so far, disputes still arose over the ceiling for Jordanian credits and whether the barter value should be

considered adequate to cover a portion of these credits or whether it would be preferrable to have the bartering factor cover the entire value of future exports. It goes without saying that Jordan fears an unlimited commitment that would open the door to lifting the ceiling on credits to Iraqi importers forever at a time when the latter, who suffer severe liquidity problems, seek the highest return for their petroleum exports.

The problem was aggravated by the decline in world oil prices. Up until last March, the Iraqis charged Jordan $22 per barrel which prompted Jordan, according to informed sources, to renegotiate with Iraq a new minimum price that may not be higher than $18 per barrel.

Even if the higher price is imposed, Iraqi oil would still cost Jordan less than Tapline, its other source of petroleum. This company still charges Jordan $28 per barrel--a price that dismays official and industrial circles in Jordan. Incidentally, the actual amount of Jordan's oil bill is still unofficial but it must be burdensome, judging by reports in Amman that Saudi Arabia's King Fahd is willing to cover half of that amount out of his private account.

In light of historically solid political relations between Iraq and Jordan, their current commercial dispute seems to be a summer cloud that is bound to dissipate. All Jordanian circles, including the industrialists, are betting that problems of financing bilateral trade with Iraq will be solved sooner or later, thanks to the continuing dialogue between the two sides and to frequent visits to Baghdad by delegations from the central bank and the chamber of industry.

Moreover, the position of the industrial sector in Jordan has become so critical that any delay in solving the dispute will exact a price from Jordanian industrialists and the industrial sector as a whole.

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CSO: 4404/400

FORMER MINISTER DISCUSSES PROBLEMS IN FINANCIAL SECTOR

Beirut AL-IQTISAD WA AL-A'MAL in Arabic May 86 pp 101-102

[Article by Dr Jawad Al-'Anani: "Jordanian Banks and the Problems of the Era"]

[Text] Jordanian banks were affected by the impact of general economic conditions in the Kingdom and by the decline in oil revenues in Gulf states. The latter has had two major effects--a decline in remittances from Jordanian expatriates in the Gulf states and a decline in Jordan exports to those markets.

Dr Jawad Al-'Anani, former minister of industry and supplies, discusses below the challenges confronting the banking system in Jordan and how to face them.

The banking system in Jordan is comprised of 17 establishments representing commercial banks and specialized agencies involved in long-term financing. There are also financial investment firms and investment banks, including Islamic banks. The banking system falls within the fiscal sector which has tremendously grown and expanded. Some financial fiscal facilities were introduced to this sector such as Amman's money market, but these are still weak and unable to expand.

The Jordanian banking system benefited from the oil boom of the 1970's and early 1980's. Its facilities and workers increased and its activities became varied and multiplied. Banks also benefited from the increase in fiscal resources and trade activity in Jordan. Letters of credit became the main source of income for banks as the value of exports jumped from 300 million Jordanian dinars to more than 1 billion Jordanian dinars (about $3 billion). The government, on the other hand, began tapping the banking sector for help either through the central bank or via public debt.

The government borrowed from the banks through various means including bonds and joint development loans. The difference between the two is that joint loans were originally issued for private use whereas bonds are meant to help with treasury deficits. The government also issued short-term treasury notes in order to balance treasury's income and expenditure over a short period of time. The government, furthermore, issued loan guarantees to the benefit of certain facilities such as the Jordanian Phosphates Company. The

banks benefited from financing these high-risk loans when the state guaranteed them. During this golden period banks were also involved in consumer loans and consumer financing but banking was, in most part, a wholesale operation as evidenced by large loans issued to certain individuals. However, risks increased for this kind of loan and bad debts outnumbered good ones, especially with large loans.

Such were the characteristics of banking during the boom. All indications pointed to continued growth, especially in the volume of loans and deposits, the size of international transactions, the level of reserves, the total capital and the number of branches.

The banking system had accomplished huge leaps by the end of 1982. Then growth started to decline and negative indications began to surface. An indication of the decline is that money supply in its broader context (demand and time deposits) had a rate of growth exceeding 26 percent during the 1970's. Today, it is no higher than 1 or 2 percent.

There is no doubt that these negative indicators will have a tremendous impact on the Jordanian banking system. At first, the decline will be reflected in banking profits. Bank shareholders realize two kinds of profits--capital profits as their shares appreciate in value, and dividends which are an annual distribution of a percentage of bank's profits. The future will not hold any appreciable increase in dividends or share appreciation even though the former will continue for a longer period. What the Jordanian banking sector is experiencing was predicted in an article, in the August 1983 issue of AL-IQTISAD WA AL-A'MAL about the end of the golden era. Today we are perhaps in the silver age or the bronze age.

It is true that nobody expected the boom to last, but the decline in oil prices will leave a heavy impact on bank dealings with the Gulf states. We already see a decline in remittances from Jordanian expatriates who are beginning to return home as working opportunities in the Gulf decrease.

The banks will also contend with a decline in exports to the Gulf, and therefore a decline in commercial activity on which banks depended to a great extent.

It is worth noting that expatriate deposits remained at the same level this year because of capital remittances. By this we mean that many who have returned from the Gulf, or those who plan to return, are now remitting their savings rather than earnings. These savings may be fairly large but they are "last chance remittances" because they will eventually cease since a returning worker is not replaced by another expatriate. The banking system will therefore face the same problems facing the Jordanian economy. Domestic economic decline will definitely have an adverse affect on demand for commercial loans and banking services and this will be reflected in the size of banking transactions and their profitability.

The increasing liquidity of Jordanian banks is also worth noting. This may seem odd in view of the economic recession but it can be explained. Banks are hesitant to finance those requesting loans because of their weak credit standing. Meanwhile, 'wise' investors to whom the banks would be willing to extend credit do not wish to borrow at the present, preferring to take their time with any investment. The banking system will therefore find itself obliged to turn gradually towards meeting some of the basic development requirements without leaning on government guarantees. The banks might find it best, for instance, to invest in development projects in agriculture, housing, local development and small cottage industries.

The period to come will also be characterized by increasing attention to the balance of payments deficits in the Arab states and especially in Jordan. Jordan suffers a deficit of 700 million Jordanian dinars in the balance of trade alone. It will be no longer possible to continue covering this deficit with remittances, service surpluses, and aid. Jordan may be forced to increase the price of exports, especially agricultural and mineral goods such as phosphates, potash, and fertilizer. But Jordan will then find great difficulty in increasing its market share in the developing countries at which most of these exports are aimed. Those countries will in turn seek to increase their own exports and Jordan will consequently be forced to concede special trading arrangements, such as bartering. Such arrangements will necessitate a review of the way foreign trade is financed. The banks will be required in the future to participate in financing this kind of trade.

A third characteristic will be a change in current lending practices. Perhaps the time has come to institute a more committed approach by lending to projects rather than to individuals and their implicit risk. The banks must begin gearing for these new lending practices. They must develop their investigative and research facilities because any wrong step could have unforeseen consequences. The collapse of any bank would have very grave consequences.

Finally, we must touch upon the question of unsecure and bad debts. There is a large number of unsecure debts but banks usually keep large contingency reserves. The value of bad debts may be only one or two percent of all loans but it is difficult to make correct estimates because of the following:

1. Checks are increasingly replacing promissory notes in dealings between individuals. This means the individuals are dealing in the context of a private agreement to the exclusion of the banks. The problems reach the banks at the very end when the bearer of a postdated check is forced to cash it after he himself had issued a check covered by the first.

2. Borrowers very frequently reschedule their debts. Banks seem content with this arrangement because it is profitable and because a large percentage of these debts is secured by real estate whose liquidation at the present time would be unwise because of the declining real estate prices.

3. A large number of borrowers are huge firms whose loans are government guaranteed and therefore cannot be written off.

It is true that a small percentage of bad loans were attributed to bankruptcies but most of them are so classified because of delays in payment. We point out also that the government is the largest delinquent borrower, which is an embarrassment.

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CSO: 4404/400

KUWAIT

LABOR MINISTER ADDRESSES INTERNATIONAL LABOR CONFERENCE

Kuwait AL-RA'Y AL-'AMM in Arabic 10 Jun 86 p 2

[Article: "Al-Jumay'an to International Labor Conference in Geneva: Kuwait Has Surpassed Industrial Countries by Meeting Its International Aid with Seven Percent of Its National Income; We Condemn Organized Terrorism and Call for Ending Iraq-Iran War and for Curtailing Armament Race and Nuclear Testing"]

[Text] Khalid al-Jumay'an, the minister of social affairs and labor, has stated that Kuwait has surpassed the industrial countries in meeting its international [aid] commitments which are set by the United Nations at 1 percent of the national income. Kuwait's foreign aid has amounted to 7 percent of the gross national income. Moreover, Kuwait advanced $4.3 billion in foreign aid from the Kuwait Fund for Economic and Social Development to 21 countries in the 1962-84 period.

In an address to the 77th session of the International Labor Conference being currently held in Geneva, Minister al-Jumay'an added that Kuwait devotes attention to the labor issues and to relevant measures in order to enhance the living standard of its citizens and residents. Therefore, Kuwait does not experience any kind of unemployment, but provides work for every citizen and for large numbers of foreign workers, especially from the developing countries, and their families, exceeding 1 million people. In Kuwait's name, al-Jumay'an denounced terrorism and condemned the countering of individual terrorism with organized terrorism that hits cities and residential areas. He called for curtailing armament and nuclear tests and for replacing them with efforts to provide work opportunities and health and social care for millions of people.

Following is the next of the minister's address:

It pleases me to laud the valuable report prepared by the director general on the major issues and developments in the labor work by virtue of their impact on millions of people in the world, especially on the working class that is suffering more heavily than others from unemployment and poverty in many parts of the developing countries. I will touch on the most important issues dealt with by the director general's report and a number of other issues that concern our countries and the area and that are connected with world prosperity and peace in one way or another.

First, Main Issues in Labor World:

1. The permanent or partial unemployment experienced by millions in the industrial and developing countries is caused and intensified by the current stagnation in the world economy, by the industrial countries' monopoly on the prices of manufactured goods, and by the war in the prices of raw materials on which the developing countries rely in their balance of payments. This requires a re-division of the international labor and implementations of the International Conference's resolutions on employment.

2. The high interest rates on loans, the fluctuation in the international exchange rates of currencies, the speculation in oil prices, and the instigation of civil and regional wars in many parts of the world to drain the developing countries' resources, to create political conflicts and to propagate the sale of destructive weapons by the industrial countries have contributed to intensifying unemployment and poverty and have obstructed the implementation of development plans.

This situation urges the world community, especially the advanced industrial countries, to shoulder their responsibility, to abandon the policy of domination, exploitation, and of the imposition of unfair conditions, and to view the developing countries as countries with a fundamental role in the world economy and not merely as countries whose natural resources are exploited to turn the wheel of the industrial countries' economy--countries with whose cooperation the desired balance can be achieved in the international conditions under the canopy of a fair international economic system which allows them to utilize their production resources properly, to train and develop their manpower, and to get advanced technology established in their territories.

3. One of the consequences of the price and production war launched by the industrial countries against the oil countries' resources is the speculation that has been experienced by oil and that has affected the revenues of the oil-producing countries, thus reducing the aid and loans advanced by these countries to the developing countries.

Despite this, Kuwait has fulfilled its responsibilities toward other countries and advanced through the Kuwait Fund for Economic Development more than $4.3 billion in aid for nearly 65 developing countries in the 1962-84 period. In 1984 alone, this aid amounted to $258 million for 21 countries. Generally, the total foreign aid advanced by Kuwait beyond the Fund's framework has amounted to 7 percent of the national income, thus exceeding the aid advanced by the industrial countries which have failed to meet the 1 percent set by the United Nations.

4. The director's general report notes that 60 percent [of the total number of world workers, i.e., 1.15 billion workers, are not protected by labor and social security laws, especially daily and irregular workers employed in family projects and seasonal workers. The situation is even getting worse in the developing countries, especially in Africa and Asia. In this respect, we basically put the blame on the member countries which should make sure that all laws and legislation are applied to all groups of workers. The [ILO] organization should undertake technical aid program in order to advance the proper assistance.

5. As for the poverty, malnutrition and low living standard suffered by nearly 1.25 billion people in the developing countries, we believe that these problems can be tackled fundamentally by comprehensive development plans and programs, especially in the rural areas lacking the care and attention of the central governments. Moreover, rural workers suffer from the lack of organization and from failure to apply the international labor standards.

6. Development of human resources has an effective and direct impact on achieving full employment, on increasing income, on raising the standard of living, and on enhancing production. Though this issue has been solved in the industrial countries, it continues to exist in the developing countries which need to utilize properly labor groups that remain untapped, such as youth and women, through expanded training, preparation, and vocational education programs designed to meet society's requirements.

7. As for the issues of the special groups, such as migrant workers, we believe and assert that this issue must be viewed from an international perspective because it is not a problem experienced by a certain region or area exclusively, but one that is prevalent in all continents. Therefore, the application of labor laws to these workers must, without any oneupmanship, be subject to each country's economic circumstances and capabilities and to its national security. As for women, their role in the production process cannot be denied, considering that they constitute one-third of the world's workforce. We demand that women be given the opportunity to engage in the various economic activities, especially in the countries which suffer from a shortage of national labor and which import foreign labor. As for the youth, we believe that the working age must be raised so that they may obtain education and training and may be better-qualified for production. Moreover, this approach reduces the unemployment volume and increases the employment opportunities.

8. Connected with labor's fundamental issues, such as unemployment, poverty, development, unprotected workers, rural and urban development, the labor market, and collective bargaining is the issue of trilateral consultation between the production parties which the organization is eager to include in many of its agreements and resolutions in order to lay down firm bases for a more human labor relationship that ultimately leads to increasing production and the national income.

9. In tackling the labor issues and problems dealt with by the general director's report, states vary in their stridency and excitation. It is natural that the developing countries, by virtue of their low standard of living and their under-developed infra-structures, would be in a worse condition than the industrial countries, thus requiring aid and support. This puts on the shoulders of the advanced industrial countries the major responsibility of implementing the slogan of prosperity instead of armament by allocating 1 percent of their national production to aid the developing countries in accordance with the resolutions of the International Trade and Development Conference, to open their training centers to accomodate the right number of trainees from the developing countries, and to offer a bigger number of academic scholarships and grants in their universities and higher institutes.

10. Within the framework of its medium-range plan for 1990-85, the ILO [International Labor Organization] is required to allocate the proper aid and draw up effective programs to tackle the problems of unemployment and poverty which constitute the biggest challenge in the labor world. Moreover, it should expand the technical cooperation activities with the developing countries, especially in terms of material and technical aid for the more urgent problems. The organization's role also includes bolstering the programs of the Interntional Institute for Labor Studies and of the Vocational Training Center (in Turin) and to enhance the activities of the regional offices so that they may perform their role in finding out the needs of the countries that fall within their jurisdiction.

Second, Kuwait and Labor Issues:

Kuwait devotes special atention to the labor issues and to the relevant measures in order to raise the living standard of its citizens and residents. There is no time to dwell on the details here but we will review briefly the most important issues in the following:

1. Kuwait is not experiencing any kind of unemployment among the citizens or incoming foreigners. Rather, it provides employment for every citizen and for large numbers of foreign workers coming from the developing countries and for their families who exceed 1 million in number.

2. The umbrella of social security covers all workers in the government, private, and oil sectors and self-employed workers.

3. To enhance the living standard, the government advances material aid to the needy groups, provides them with free health and education services, and with housing at symbolic payments, and supports cooperative associations and voluntary work.

4. The 1985-90 5-year economic and social development plan devotes special attention to the human resources by making maximum use of the citizens' production capabilities, by expanding vocational education and training, by making up for the shortage in science specialization, by increasing productivity, by employing sophisticated technology, by diversifying the sources of national income, and by devoting attention to the social aspects and to administrative development.

5. The government devotes the greatest attention to trilateral consultation between the production parties on the labor issues, on the implementation of laws and on amendment of the labor laws so that the labor relations may be firm, strong, humane and free of any conflicts that may have negative consequences to work and production.

6. As for workers unprotected by laws and by social security benefits, Kuwait has no problem in this regard. All groups of workers are subject to the labor laws and enjoy the proper protection and care.

Third, Arab Workers in Occupied Territories:

Even though the report of the organization's mission to the occupied Arab territories has not been received, the available information confirms the continued Israeli violations of human rights in Palestine and the Golan. Discrimination in working conditions and arbitrary measures confiscating cultivable lands and water sources continue, thus damaging the area's food security. Moreover, the workers continue to be persecuted and social security fees are collected from them for the benefit of the Histadrut, without any benefit for the workers in return. In addition to this, there is discrimination in wages and the Arab workers are subject to unemployment and to denial of unionist liberties. All this while the racist authorities continue to totally disregard the organization's resolutions and to defy the world community's will to protect the workers' rights and to safeguard the unionist liberties. On this basis, we denounce and condemn the racist discrimination policy which constitutes a flagrant attack on the human rights and which is embraced by South Africa's government with the support of certain international forces. We believe that the international community's will is embodied in forcing every racist government to abide by the principles of the human rights. In our search for peace, we reject the principle of intervention in any country's internal affairs and of the occupation of the territories of others, regardless of the justifications, because such intervention and occupation constitute a flagrant violation of peoples' rights and sovereignty. On the other hand, they obstruct the plans for development, for providing employment opportunities, and for raising the living standard of the working class.

Fourth, Iraq-Iran War:

The Conference has before it a draft resolution coordinated with the ILO's principles, charter and constitution and emanating from the dangers and enormous losses generated by the Iraq-Iran war throughout 6 years-danger and losses that have affected the development programs and the work opportunities of the area's citizens and of the citizens of other parts of the world. The resolution urges peace as a path to prosperity, calls for ending this war immediately; and for resorting to peaceful means, it calls on the United Nations and puts the organization face to face with its responsibility to confront the events so as to protect the human resources, and to safeguard stability in this sensitive part of the world.

Fifth, International Terrorism and Security:

Out of its belief in the endeavors to establish peace and security in the world, Kuwait denounces all forms and shapes of terrorism, whether at the level of individuals or of states. Countering individual terrorism with organized terrorism by attacks on cities and residential areas is a rejected approach, especially if it is carried out by a racist state such as Israel or a major power like the United States which shoulders the responsibility of safeguarding peace, because this approacy takes us back to the law of the jungle, and to restoring to force without any consideration for the international charters and for the organizations concerned with preserving world peace.

Mr president, gentlemen members: Within the framework of the endeavors seeking a world living under the canopy of justice and lasting peace, we urge the major powers to end the armament race and to curtail the nuclear tests that drain the resources, pose a threat to security and stability, and warn of war and devastation. We urge them to employ the material resources to serve man and his prosperity. The expansion we see in the construction of nuclear reactors and the incidents emanating from these reactors pose a threat to man's health and security everywhere and drain enormous material resources which could be better used in development programs and in basic service, such as education, housing, and food; and in providing work opportunities for millions of people so as to eliminate unemployment, and to raise man's material and moral living standard. In any case, gurantees and measures for protection from the dangers of these reactors must be provided. We are confident that the ILO, which truly represents the world's peoples and governments and which has contributed to laying down the principles of social justice and peace, is capable of safeguarding human rights everwhere and of contributing to development and to wiping out unemployment and poverty, considering that poverty poses a threat to prosperity wherever it may exist.

8494/12951
CSO: 4404/370

BIRRI ON TRIPARTITE AGREEMENT, SYRIAN PRESENCE

NC121218 Beirut Domestic Service in Arabic 1030 GMT 12 Jul 86

[Text] In an interview with the Lebanese magazine AL-SHIRA', Minister Birri said that a solution lies in the formation of a transitional government that will study the tripartite agreement, to which there is no alternative. This agreement still stands. The only other possibility is the abolition of political sectarianism. Minister Birri laid responsibility at the door of the regime, and said that the president of the republic is constitutionally and effectively responsible for everything. In my opinion, Prime Minister Karami did us an injustice when he said that the responsibility is a joint one and called on all of us to resign.

Minister Birri said: I believe that this offer is an attractive one for the government and should not be missed. He added, a military coup in Lebanon is useless. He called on the Army to stand aside from existing conflicts so that is may serve all of Lebanon. The Army's blood has been shed left and right, for nothing. The army should be for all of Lebanon. Its task should be to defend the southern territory. He said that the Military Council meets by agreement of the Ministerial Committee.

Minister Birri declared that political and security advances should be made in West Beirut to consolidate the security plan. He rejected a return to the 1943 mentality which, he said, has gone forever. Recourse to the Israeli plan had failed, and reliance on the disintegration of the Islamic ranks and a breakdown of the security situation in West Beirut had also failed.

Minister Birri affirmed that Islamic unity now prevails. He said: There are no camps in the [southern] suburb. We and the Palestinians are brothers. The plot in the camps has not yet ended and there are preparations to shift it to the South. Minister Birri said the presence of the Syrians in any part of Lebanon is legitimate. The Arab Deterrent Force has been in Lebanon since 1976 and the role of this force has so far not been constitutionally abolished.

Regarding the situation in the South, Minister Birri said: There is real hope that resolution 425 will be implemented, but we must always be on our guard, because the Israeli enemy does not usually withdraw a single inch unless the blows inflicted by the resistance oblige it to do so. I do not expect anything to happen before 19 July.

/9738
CSO: 4400/238

PAPER ANALYZES SYRIAN DEPLOYMENT

NC111244 (Clandestine) Radio Free Lebanon in Arabic 1145 GMT 11 Jul 86

[Text] The paper AL-'AMAL [Phalangist Party organ] today publishes a security report on the Syrians' return to West Beirut. The report which has been sent to the appropriate authorities, points out that the Syrians' entry has surprised everybody in West Beirut, because the decision was not made by those attending the recent expanded Islamic meeting in Damascus, but by the Syrians alone. The report notes that the Syrian plan in West Beirut is not traversing a minefield, and that those in charge of the plan are trying to reconcile the differences. This means that Damascus' objective was to satisfy America, Russia, the Shi'ites, the Sunnites, the Arabs, and Iran; to keep the Druze quiet; and to send messages of appeasement to Israel.

The report goes on to say that the Syrians' abstaining from entering the southern suburb proves two basic points. The first is that the Syrians do not wish to confront Hizballah at this time to avoid any political friction with Iran. The second is that they are trying not to precipitate the Syrian-'Arafat quarrel for the time being by refraining from harassing the Palestinians. The report adds that the deployment of the Syrian force will cover from West Beirut through Khaldah and up to the area before the Al-Damur. The deployment along this line will cordon off the mountain area and limit Druze movement toward Beirut as well as other areas west to the coastal road.

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CSO: 4400/238

JA'JA', SA'ADAH ADDRESS RALLY HONORING MARTYR

NC121713 (Clandestine) Radio Free Lebanon in Arabic 1045 GMT 12 Jul 86

[Excerpts] The Phalangist Party and the Lebanese Forces today marked the 10th anniversary of the martyrdom of Commander William Hawi, chief of the Phalangist Party's Security Council. Party leader Dr George Sa'adah and Dr Samir Ja'Ja', chairman of the Lebanese Forces Executive Committee, attended a rally held to mark this occasion. Dr Ja'Ja' stressed: It is important that William Hawi's martyrdom not be allowed to pass in vain or to continue uselessly in the hereafter. We must reap the fruit of his death in this life. He added: If we are to see that this is done, then we must not present the current crisis as simply a temporary one. It is a historical and decisive crisis fundamentally connected with the relations existing among the various Lebanese groups and with the state.

Dr Ja'Ja' stated: It is essential for us to stop depending on the tools provided by the 1943 state. Events have shown these tools to be a failure. He added: Regardless of what the president and the army might do, they cannot introduce any effective changes unless they first do something about these totally dilapidated tools. Dr Ja'Ja' called for supplementing essential means to confront all the political, social, economic, and military aspects of the crisis. The army, he affirmed, is our shield and safety.

The chairman of the Lebanese Forces Executive Committee continued: We are building a capable and united military establishment in which all the potentials of our society's parties and factions are being fused. No single faction or tendency will monopolize this establishment. He added: On 15 January 1986 we had the honor of completing the process of fusion and unification which had been started by the formation of the Lebanese Forces in 1976.

Dr JaJa' affirmed: Our pledge is to complete the establishment of a capable, vigilant, and knowledgeable intrinsic force. Our promise is to lead and protect our society and to be ready to defend its children and old people.

After praising the memory of martyr William Hawi and commenting on his activity in the party, Dr Sa'adah outlined several points for conducting a dialogue that would lead to a political reconciliation.

[Begin Sa'adah recording] Speaking from the Phalangist Party's Security Council today, we declare that we have not yet withdrawn the hand of peace. However, we wish to emphasize the following:

1. There can be no return to the situation which prevailed in Lebanon at the beginning of the crisis--not in the south, in the camps, or in any part of the homeland. Steady efforts will be made to achieve a peaceful understanding among all Lebanese that will consolidate the state's authority and sovereignty over its territory. This means that any agreement between the Lebanese people and the Palestinians which can no longer be justified must be abrogated and the armistice agreement, which we adhere to as an international guarantee, must be implemented.

2. There can be no national solution without the involvement of the south. The south is Lebanese territory and we want to maintain its Lebanese identity and aspirations. Anyone who uses the south as a slogan to win domestic popularity or to change the homeland's identity is actually calling for the perpetuation of the occupation.

3. There can be no alternative to legitimacy and the state with regard to making decisions, and no fait accompli will be imposed through a boycott or boycotters, through isolation or isolationists, or by scattered, defeated, semi-legitimate people. There will be one legitimacy, one state, one government, and one regime for all the people in this land. A coup within the state and against it is forbidden and rejected.

4. There can be no national solution if the evacuees do not return to their homes and land, safely protected by the organs of legitimate security alone.

5. There can be no national solution unless the deteriorating economic and living conditions which threaten the livelihood, dignity, and rights, of our citizens are confronted in a practical manner. [end recording]

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CSO: 4400/238

BRIEFS

SOVIET ENVOY VISITS SIDON--Soviet Ambassador Vasiliy Kolotusha arrived in Sidon this morning, accompanied by embassy military and trade attaches. The Soviet delegation met with Mustafa Sa'd, secretary general of the Nasirite Popular Organization. The meeting was attended by Usamah Sa'd, deputy secretary general of the organization, and Abu Darwish [name indistinct], the organization's secretary for military affairs. The Soviet ambassador is scheduled to meet with Sidon deputy Dr Nazih al-Bizri. [Text] [(Clandestine) Voice of the Mountain in Arabic to Lebanon 0900 GMT 12 Jul 86 NC] /9738

PHALANGIST LEADER MEETS USSR AMBASSADOR--Soviet Ambassador Vasiliy Kolotusha met today with the Phalangist Party President, Deputy George Sa'adah, at the Phalangist headquarters. The meeting between the two men, which lasted nearly 2 hours, was attended by the political counselor of the Soviet Embassy and the head of the Foreign Affairs Bureau in the Phalangist Party. In a statement later, the Soviet ambassador stressed that there had always been contacts between the Soviet Embassy and the Phalangist figures. The Soviet ambassador noted that conditions in Beirut had improved in the past 2 weeks. In a reference to the south, he said that the Security Council will be taking action later this week on the extension of the UNIFIL mandate. Commenting on the meeting, Deputy Sa'adah said that the Phalangist Party had no complexes and it is open to dealing with all factions, internal or external. He expressed hope that policies at the Soviet Embassy had changed and that the Soviet Embassy in Beirut would maintain contacts with all sides. [Text] [Beirut Domestic Service in English 1407 GMT 15 Jul 86 NC] /9738

'RESISTANCE' DESTROYS ISRAELI TANK--A Lebanese resistance group named after martyr Zuhayr Shahadah detonated an explosive device on the Dayr Siryan road at 0930 today as an Israeli Merkava tank was passing. The tank was completely destroyed. Zionist helicopters immediately flew to the scene and picked up the casualties. The helicopters also combed the areas around the townships of Zawtar al-Sharqiyah, 'Alman, Al-Hamra', Yuhmur, Al-Tayyibah, and 'Aydamun, and continued directing machinegun fire at the peaceful villages until 1250 today. [Text] [Beirut Voice of National Resistance in Arabic 1015 GMT 13 Jul 86 NC] /9738

RED CROSS OFFICIALS WOUNDED--The town of Kar Rumman came under intensive Israeli shelling from Tallat al-Suwayda' at 0800 today. In the meantime, just when Lebanese Red Cross and civil defense cars from Al-Nabatiyah were about to enter Kafr Rumman, the Israeli occupation forces and their agents opened heavy-caliber machinegun fire on them. A Red Cross care was hit and two Red Cross employees wounded. [Text] [Beirut Domestic Service in Arabic 0800 GMT 19 Jul 86 NC] /9738

SYRIA SEIZES AMAL TANKS--Informed security sources in West Beirut have confirmed that Syrian forces have seized the T-54 tanks which they gave to the Amal Movement during the camps war a year ago. According to these sources, differences have broken out between Syrian intelligence officers, Lebanese Army officers, and members of the Progressive Socialist Party on the one side and the Amal Movement on the other. [Text] [(Clandestine) Radio Free Lebanon in Arabic 1945 GMT 12 Jul 86 NC] /9738

HUBAYQAH SEEKS ASYLUM--It has been learned from an informed source that Elie Hubayqah [former Lebanese Forces Executive Committee chairman] has intimated to some of his friends that he wants to travel to Brazil and to settle there for good. The source affirmed that Hubayqah asked the Brazilian Government to grant him political asylum prior to leaving for Brazil, where he intends to settle in Sao Poulo and engage in business. The source noted that Hubayqah is tense and said that his close aides are constantly aware of the depression apparent in his behavior, the secrecy that surrounds his movements, and the bitterness that dominates his conversation. [Text] [(Clandestine) Radio Free Lebanon in Arabic 1545 GMT 11 Jul 86 NC] /9738

POSSIBLE RAPPROCHEMENT WITH SYRIA--Former President Camille Sham'un has said: When Syria protects Lebanon as a whole, and when we sense its good faith and willingness to do so, there will be a good chance for rapprochement. He added: If the Syrians want to demonstrate their true good intentions, they must begin by rebuilding what has been destroyed, and what they helped destroy. He continued: They must start by getting the refugees back to their homes. They have the power to do this, he noted, and said that would be viewed as a sign of their seriousness and as the beginning of a close friendship between us. Sham'un pointed out that Damascus has tried to give a special nature to its relations with Lebanon through the tripartite agreement, but failed. Thus, these ties have retained the character stipulated by the Arab League Charter. [Text] [Beirut Voice of Lebanon in Arabic 1415 GMT 9 Jul 86 NC] /9738

CSO: 4400/238

PLO REPRESENTATIVE IN CAIRO DISCUSSES RELATIONS WITH EGYPT

London AL-TADAMUN in Arabic 5-11 Jul 86 p 14

[Article: "The Representative of the Palestinian Liberation Organization in Cairo to AL-TADAMUN: Our Relations with Egypt are Constantly Evolving and the Problems of the Inhabitants of Gaza are in the Process of Being Solved"]

[Text] Where do Egyptian-Palestinian relations stand these days? What has happened in the question of finding solutions to the problems of the residents of Gaza who carry travel documents issued by the Arab Republic of Egypt? How does the Palestinian Liberation Organization, through its ambassador in Cairo, view the flurry of Arab meetings and reconciliations, both those that fall under the heading of "predictions" and those that have begun to crystallize, even if slowly, like the Iraqi-Syrian reconciliation? AL-TADAMUN took these three questions to al-Tayyib 'Abd-al-Rahim who began his duties as the representative of the PLO in Egypt a few months ago. Before we give his responses to our questions, it is worth mentioning that al-Tayyib 'Abd-al-Rahim is a well-known Palestinian literary figure, as well as having been immersed in political work in the "Fatah" movement for a long time. He held the position of political deputy in the movement, as well as having been one of the founders of the General Union of Palestinian Writers and Journalists. He was a member of the secretariat for a Palestinian Writers and Journalists. He was a member of the secretariat for a time and is also the son of the famous martyred poet, 'Abd-al-Rahim Mahmud.

Concerning Egyptian-Palestinian relations, al-Tayyib 'Abd-al-Rahim said: "These relations have witnessed an important development during the last few months, especially since the visit that the chairman of the executive committee of the PLO, Mr Yasir 'Arafat made to Cairo in October 1985. He was accompanied by Mr Salah Khalaf, a member of the central committee of Fatah, and a number of PLO and Fatah leaders. We in the PLO perceive this development in our mutual relations by Egypt's strong commitment to the Palestinian people's right to self-determination and the rejection of any attempt to overstep the PLO as the sole legitimate representative of the Palestinian people, whether this attempt occurs within or outside of the occupied territories. After this, successive Palestinian meetings considered in depth the joint view of the course of events in the region and expanded the scope of the discussion between the two sides, especially after the

halting of coordination between Jordan and the PLO, since Egypt has remained firm in its position in support of the right of the Palestinian people to self-determination, calling for unity and rejecting all attempts made to fragment the Palestinian body or to find a respresentative to replace the PLO."

Concerning the consequences of the development in Egyptian-Palestinian relations for the better for finding solutions to the problems particular for the inhabitants of the Gaza Strip who hold Egyptian travel documents, both those who are residing in Egypt and those abroad, and who face some problems because of certain restrictions on the travel document, al-Tayyib 'Abd-al-Rahim told AL-TADAMUN: "There is in Egypt a Palestinian community which numbers about 100,000 people. They are distributed among Cairo, Alexandria, al-Zaqaziq, Mudiriyah al-Tahrir, al-'Arish, and... Rafah. The most important general problems that this community faces are those of education, residency, and travel documents. At the primary education level, there was the problem of the refusal to accept Palestinians in government schools from the elementary to the secondary levels and the community was forced to enroll their children into private schools. As for the university level, it was made conditional that Palestinian students pay their tuition fees in hard currency, like all other foreign students. We discussed these problems with Egyptian officials at the relevant agencies and with the director of the Palestine Administration in the Foreign Ministry. The results of our discussions were sent to the deputy prime minister and foreign minister, Dr 'Ismat 'Abd-al-Majid, as well as to the minister of the interior, the relevant ministers, and the president of the republic, who issued his instructions for the formation of a committee to settle all these issues quickly. He informed us that the problem of education in the elementary, junior high, and high schools was solved and that Palestinian children could enter government schools. As for residency and travel documents, the PLO office has been granted several powers to ensure that those carrying travel documents may enter the country at the airport and at other points of entry. The deportations of Palestinians who hold Gazan travel documents with a pretext or not, except in very rare cases, has now stopped. Likewise, President Husni Mubarak has charged the committee with studying the problems that Gazans, who carry travel documents and who wish to return to Egypt, face. I believe that the problem is on its way to being solved in such a way that these people will be able to enter Egypt and return to it without complications."

With regard to Arab-Arab reconciliation and its consequences for the PLO and its relations with the parties of these reconciliations, the ambassador of the PLO to Cairo contented himself with saying: "Our position in this matter is clear and well-known. The PLO is for any Arab meeting as long as it is in the interest of Arab solidarity, as long as it makes the Palestinian cause a priority in the reconciliation of Arab interests, and as long as it does not seek to weaken or affect the PLO."

There remains one important point, which AL-TADAMUN raised with al-Tayyib 'Abd-al-Rahim, concerning the frequently-discussed Israeli leaning towards effecting autonomy in the Gaza Strip and what Mr Rashad al-Shawwa, mayor of Gaza who visited Cairo in the first week of last May mentioned when he

discussed this matter with Egyptian officials. On this point the representative of the PLO in Cairo told AL-TADAMUN:

"What I can say in this matter is that certain brother officials in Egypt have assured us that everything must be coordinated with the PLO. Several brother Palestinians coming from the Strip to Egypt informed the Palestinian and Egyptian leaderships that there were Israeli intentions, coupled with some practical measures, to institute unilateral autonomy in the Gaza Strip and that they are in the process of training certain individuals for these tasks. In reality, Mr Rashad al-Shawwa, as we learned, is against this project and instead he had suggested the idea of placing the Strip, as it was before the 1967 war, under Egyptian administration. Egypt has studied this suggestion and we were informed that everything will be done in coordination with, or upon agreement by, the PLO."

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WOMAN PLO MEMBER DESCRIBES MOVEMENT

Lima EL NUEVO DIARIO in Spanish 8 Jul 86 pp 12-13

[Interview with PLO member Rima Salem in Lima; date not given]

[Text] Rima Salem was born and went to school in Westland, Palestine (west bank of Jordan). In 1976, she was deported by the Israelis.

She pursued her studies at the University of Cairo, in Egypt, where she took a masters degree in political science. During her studies, she found time for work as an activist and leader of the Women's Union in Lebanon. She is a member of the General Council of the Union of Palestinian Women. She participated in the International Women's Conference in Copenhagen and the meeting of the Socialist Bureau in Nairobi, Kenya, in 1985, as well as international events in Europe, Africa, Asia and Latin America. She speaks perfect English and French, in addition to knowing Latin, Arabic and Hebrew.

She recently visited Lima and participated in the Peruvian Popular Women's Union Conference (10-13 June). She is forbidden to enter the zones occupied by Israel, under threat of capture "alive or dead." Currently, as she travels tirelessly for the Palestinian cause, it is not known where in the world her new temporary base will be.

Rima Salem is an intelligent and beautiful woman. She has long black hair and emerald-green eyes. But she is also something more--a Palestinian combatant. Every fiber of her being, every nerve in her body, has been focused, trained, readied, consciously and unconsciously, for the supreme cause of the Palestinian people. "The struggle will continue for as long as a single Palestinian awakes to the morning dawn." Stoic courage? Revolutionary conviction? Suicidal mysticism? We are perhaps too far away, in knowledge and distance, to say. But to speak of Palestine today anywhere is to feel a wound to the heart of mankind and the loss of blood in spurts which cannot be staunched. EL NUEVO DIARIO had an opportunity to talk with Rima Salem during her visit to Lima. Her statements follow.

[Question] You represent the Palestinian Liberation Organization (PLO) on the international level?

[Answer] Yes.

[Question] What are you doing in Lima?

[Answer] I participated as an invited guest in the conference of the Peruvian Popular Women's Union (UPMP) and I have studied the socioeconomic picture in the country, the political atmosphere, your party organization. I am trying to strengthen the bonds with institutions here with which we can talk in order to explain the tragedy of the Palestinian people.

[Question] This is a visit which coincided with the 13th Conference of the Women's Socialist International and the 16th Socialist Congress (20-23 June). The prime minister of Israel, Shimon Perez, did not attend this last event, for security reasons.

[Answer] The coincidence of the dates is only that. I have great respect for the resolutions and agreements of the International, above all because of the appeals for peace concerning the Palestinian problem. I have also attended various socialist women's events. The purpose of my visit to this beautiful country is also to make contact with the motive force of the media--the journalists. This aspect is very important to us, because we understand that there are economic and political interests influencing the communications media such that the real picture of the liberation struggle of the Palestinian people is distorted.

Concerning the prime minister of Israel, I must say that his participation in the socialist congress would have been a sad and grievous thing for me in Lima, because his political-military attitude toward us can only be called barbarous.

Shimon Perez has occupied a country by force. He supports Zionist terrorism everywhere Palestinians are to be found. He establishes settlements to penetrate occupied territories for the sole purpose of ousting the legitimate residents. He denies the Palestinian people all of their basic freedoms. On the basis of what moral authority could he boast of democracy and progress at an event which is the focus of world attention, while his hands are stained with innocent blood?

Rima Salem left her interpreter mumbling incoherently, and she tried with words, movements and precise gestures to make me understand what she regards as the magnitude of the tragedy of her people. Her sweet face reveals a serene and unalterable faith, a visceral yearning for understanding of her problem, that of Palestine, and a transparent sincerity which transcends any political aspect. Now I understand that this is a distant people speaking through the pores of her skin, almost instinctively. A noble people, indeed, who like any tortured animal, are capable of cutting loose and causing devastation.

"My people were forced out of their country, were ousted, oppressed and exiled, in 1948, with the establishment of the state of Israel. They were scattered over four continents--Asia, Africa, Europe and America. However, the majority resisted and remained on the west bank of the Jordan, sentenced to live forever as citizens without rights, without an identity.

"In 1967, the Israeli troops occupied the rest of the western zone, the Gaza strip, Transjordan and other territories. Our people have been living under Israeli occupation since then, without any possibility of creating their own sovereign state, without any collective personality as a social group, without the right to free expression and opinions.

"The Palestinian people cannot develop their economic potential, their productive strength. The invaders know that this would mean yet another step toward liberation. They regard us a cheap manpower. We are subject to arrest and deportation. Our homes can be invaded on suspicion of links with the resistance forces. The secondary schools and universities are subject to educational policies and can be closed at any moment. The Palestinians outside the occupied zones cannot return to Palestine, and many of them have their families there.

"We are a dispersed people. A million and a half Palestinians are living on the west bank of the Jordan, while there are 800,000 in Saudi Arabia and on the Arabian Gulf, 150,000 in the United States, and about 600,000 of our compatriots are living in Latin America. In Europe we have no community, but rather groups of students."

[Question] The vanguard in civil, political and military organization is then the PLO?

[Answer] Yes.

[Question] What are its goals?

[Answer] To establish a Palestinian state on the west bank of the Jordan, to keep the people united, to make their life in exile easier through agreements with governments to ensure that they will have access to the housing, jobs, education and culture to which every man aspires.

Despite our efforts, some Western governments, including that of the United States, deny us the right to talk, to seek formulas for peace.

[Question] Why is the PLO divided?

[Answer] This problem has been magnified by the North American press. In fact, we have a dissident wing. However, it has not split from the PLO itself, but is an integral part of the organization. Why have they done this? Because they believe that the PLO has become a "conservative" organization. As a result, this group urges radical armed actions and is supported by Syria, which in turn has sought to manipulate the Palestinian problem in order to gain greater influence in the zone.

This split does not mean a Palestinian breakup, because we all continue to participate in the national congress. There the vast majority continue to be loyal to the Yasser Arafat leadership of the PLO.

[Question] Are you a Palestinian combatant?

[Answer] Yes.

[Question] In any case, one of the combative women of Palestine.

[Answer] As women, we Palestinians also love our comrades and our children.

[Question] What kinds of weapons can you handle without difficulty?

[Answer] A sufficient number. The war situation itself makes each Palestinian a combatant. It is true that many fall into despair because of this long war, with no glimpse of a solution, and they fall into the chasm of irrationality and despair. In my particular case, I do not carry a weapon because my clash with Zionism occurs in other areas--the diplomatic, educational and media sectors. This does not mean that I am not determined enough, if the cause of Palestine should require, to take up a weapon. If necessary, I would not hesitate for a moment to take up a rifle.

[Question] Have some members of your family died in the war with Israel?

[Answer] No, but I have a brother who was in prison for 5 years, and who is still under house arrest. He cannot leave the town or the region. And he has seen many of his friends fall.

[Question] What do the Palestinians expect of the PLO? A holy war?

[Answer] No. They expect confirmation of our organization as the spokesman for the Palestinian people, pressure on the Israelis through politics, diplomacy or military means to force them to abandon the occupied territories, the achievement of an international consensus so that together, in the UN, we can negotiate a peaceful outcome. History teaches, finally, that peoples fight until their rights are recognized, and so it will be as long as a single Palestinian awakes to glimpse the dawn.

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SAUDI ARABIA

OFFICIAL DISCUSSES COUNTRY'S NUCLEAR ENERGY

London AL-SHARQ AL-AWSAT in Arabic 20 Jun 86 p 11

[Article by 'Amir Ahmad: "Light Shed on Steps Made by Saudi Arabia to Utilize Nuclear Energy"]

[Text] Vienna-The latest developments in nuclear energy, generally, and the international interest in this energy's future are the subject on the interview given to AL-SHARQ AL-AWSAT by Dr Muhammad Hasan Qattan, the representative of King 'Abd-al-'Aziz Science and Technology City to the International Atomic Energy Agency at the U.N. offices in Vienna.

Dr Qattan has said: "King 'Abd-al-'Aziz Science and Technology City in Riyadh is the agency concerned with nuclear energy affairs in the Kingdom of Saudi Arabia. In this sphere, the Kingdom is interested in achieving the development necessary to enable it to keep pace with the requirements of the renaissance and of the era it is undergoing. On the instructions of King Fahd bin 'Abd-al-'Aziz, the Kingdom seeks to achieve a comprehensive development that covers and includes all sectors and activities and that yields a beneficial and blessed return to the Saudi society. King 'Abd-al-'Aziz Science and Technology City shoulders the responsibility of tending and developing the scientific and technological aspects of this blessed renaissance. As I have already noted, the City is concerned with nuclear energy affairs which constitute one of the facets of modern science and one of modern science's most effective instruments. Nuclear energy is comprehensive and connected to all the sciences. It is also dangerous in some of its aspects."

Scientific Base

"The City is concerned with building a national scientific base and in training specialized and polished cadres. There is cooperation between the City and the Kingdom's universities in this sphere. Nuclear physics and engineering are taught at King Sa'ud University in Riyadh and King 'Abd-al-'Aziz University in Jiddah. The Petroleum and Minerals University is also interested in utilizing the benefits of this energy in scientific research. One must also point out the sophisticated nuclear medicine technology being now used in the kingdom's hospital for diagnosis and treatment.

"As I have already noted, the kingdom is currently engaged in building the necessary scientific and technical base. This is important for utilizing

nuclear energy's peaceful potentials. One cannot ignore nuclear energy's contributions to pushing the wheel of development in the direction that crystallizes the concept of the comprehensiveness and integration of development. To polish the scientific and technical cadres, these cadres must be enabled to receive training and to conduct research in a center containing a nuclear reactor designated for nuclear research for peaceful purposes. I believe that the time has come for the Kingdom to achieve this. As for the big reactors, meaning power-generating reactors, they are often used to produce electricity and thermal energy and to desalinate water. These reactors are usually tantamount to major plants that require experienced national expertise to manage them. The decision to build such plants usually depends on economic factors and on the growing need for electric power. The industrial countries are the countries that usually try to build such plants so as to get from them the electric power needed to run their factories and to light their big cities. They may also use these reactors, as they often do, to produce raw nuclear substances needed for military purposes.

"Some developing countries build such reactors for economic considerations because they have no oil and no possibility of producing energy through alternative means. We in the Kingdom continue to have cheap raw materials and enjoy a good economic situation."

Chernobyl Incident

Regarding the constant contacts by the kingdom's delegation to the International Atomic Energy Agency on the recent incident in the Soviet Union, Dr Qattan said: "The International Atomic Energy Agency displayed great interest in the Chernobyl incident at the beginning and it immediately responded to the invitation addressed by the Soviet authorities to Dr (Hans Blecks), the agency director general, to visit the Soviet Union with experts from the agency to familiarize themselves with the situation on the spot. Dr Blecks and specialists from the bodies responsible for power reactors and nuclear safety made the visit. As previously announced, the International Atomic Energy Agency's delegation met with the Soviet officials and authorities and held discussions with them on the circumstances and causes of the incident. The delegation also visited the site and saw the reactor itself and what happened from a helicopter. The delegation also discussed with the Soviet officials issues pertaining to the consequences of the incident and what precautions and arrangements can be made in the future to avoid the recurrence of such an incident. The Kingdom's delegation holds constant contact to find out what the situation is."

Regarding agreement on specific points in this connection, Dr Qattan said:

"The Soviet officials have agreed to supply the agency daily with new information on the radiation level from observation stations located within 60 kilometers of the incident site and from the stations on the Soviet Union's western borders. The Soviets also agreed to have the consequences of this catastrophe examined by a team of experts appointed by the International Atomic Energy Agency in the presence of Soviet experts so as to study the incident, to find out the causes leading to it, to determine how to prevent its recurrence, to study the additional protective means and methods that should be introduced as safety elements, and to exert efforts to draft an agreement for early warning and for the speedy transmission of information at the international level so as to lessen the consequences of such an incident."

Other Arrangements

Will the agency be content with what has been agreed on with the Soviet or are there other arrengements?

Dr Qattan said: "The agency has not stopped at this limit, but has mobilized the bodies concerned to study all aspects of the catastrophe and to make the proper analyses so as to emerge with a deeper understanding of the issue. In response to an urgent request by the West German Government, the International Agency's Board of Governors has held a special session in which it studied the catastrophe and the measures taken. The Board has also studied the initiatives that may be adopted by the International Atomic Energy Agency to improve the international cooperation on the safety of nuclear installations."

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CSO: 4404/367

SAUDI BUSINESS COMMUNITY OPTIMISTIC, OIL CRISIS NOTWITHSTANDING

Dubayy AL-BAYAN in Arabic 1 May 86 p 3

[Article: "Saudi Business Community Facing Oil Storm; Strong Optimism Among Businessmen on Possibility of Continued Investment in New Projects; Saudi Firms Have Begun to Adapt to Normal Economic Situation After Upsurge Years"]

[Text] Despite the severe effects of the declining oil prices on the Saudi economy, Saudi businessmen feel more optimistic this year than last year. The businessmen feel satisfied as a result of the Saudi Government's acknowledgement of their problems and of its efforts to solve these problems despite the difficult economic conditions. In an unprecedented step in Saudi Arabia's modern history, the Saudi Royal Court issued a statement last March declaring postponement of issuance of the new budget until further notice.

The statement said that the previous budget for AH 1405-1406 will continue to be in effect until the situation is reevaluated in the following 5 months.

It is indubitable that this sudden Saudi step has come as an inevitable step under the canopy of the vague and restive circumstances prevailing in the oil market until the morrow of the announcement of this step which has reflected, among other things, the extent of the damage resulting from the severe drop in the oil prices. In addition to the drop in the volume of oil exports compared with the exports of a few years ago, oil prices have droped in a few weeks by more than 50 percent below the official price set by OPEC.

The official Saudi statement attributes this measure directly to the elements of the raging oil crisis in both production and marketing. Because oil revenues constitute nearly 68 percent of the state's actual total revenues, it has been impossible, in light of the prevalent oil circumstances, to foretell what the state's basic revenues would be and, consequently, impossible to establish a firm estimate of the expenditures in the next 12 months.

Saudi Spending

A news analysis by the FINANCIAL TIMES says that it has become evident from the ministers' subsequent statements that the government spends nearly 40 billion dollars and that more than one half of this sum is drawn from local resources and from the revenue generated by the foreign assets held by the Saudi Monetary Agency.

This makes it possible to complete the construction programs currently under implementation and to implement a few new projects.

These estimates may be below the actual spending, considering that there are numerous major official agencies, such as the Saudi Industrial Development Fund, which are completely self-financing agencies.

Sharp Competition

The Saudi and foreign businesmen in the kingdom feel doubtful regarding the future. Many of them say that they still have to win major contracts even though the competition will be stiffer and the projects will be small or medium-size projects.

In some cases, the businessmen feel more optimistic than they did 6 months ago, considering that the government has begun to acknowledge their problems.

Moreover, Saudi businessmen feel satisfied with the Saudi Monetary Agency's ability to preserve the value of its foreign assets last year at nearly 70 billion dollars, which is a healthy figure for a country that does not owe any foreign or local debts.

The Saudi Monetary Agency has completely denied that it reduced its investments by $15 billion last year.

Condition of Banks

The Saudi banks were subjected in 1985 to great pressures which caused their profits to drop sharply; but these banks did not incur any heavy losses.

Despite this, the Saudi banks suffer from the problem of doubtful debts, but less so than the other Gulf banks, especially the Kuwaiti banks.

Some Saudi Government officials believe that the complaint of some bankers of the big losses caused by these loans is merely intended to compel the government to issue a new law to guarantee the loans advanced by the banks.

In the past 6 months, a single problem of major debts has been added to the list of 7 or 8 crises experienced by the major companies since the onset of the recession in 1981.

This new problem has been suffered by the (RIDIC) Trade, Contracting, and Real Estate Group owned by Ghayth Fir'awn. The banks had expected this company to encounter major problems several months ago.

A very small number of foreign contracting firms have left the Kingdom. The latest such departure was (Lang Wimpy)--a British partner.

Most of the companies, unable to forge ahead with their work, have been compelled to reduce the number of their workers by 10-20 percent. However, they continue their activity and are expected to gain a stronger position in bidding for contracts when such contracts begin to flow anew within 2 or 3 years, as these companies hope.

Diminishing Opportunities

Regardless of the possibility of another drop in oil prices bringing the price down to less than 10 dollars per barrel, the main concern of the Saudi businessmen lies in the possibility of diminished future opportunities for profitable investments inside the Kingdom of Saudi Arabia.

The businessmen do not expect big profits to be reaped from new projects unless the government is once again able to increase the spending rates.

It has been reiterated that the independent investors who own tens of billions of dollars in the Kindgom have recently transferred vast sums of money abroad. It was believed at the beginning of March that these transfers had peaked, considering that more than a billion dollars were being transferred daily.

However, it is difficult for any analyst to claim that these developments have affected the Kingdom's economic stability in light of the Kingdom's vast and firm economic structure and of its ability to adapt to the new developments.

Moreover, the Kingdom of Saudi Arabia has succeeded throughout the past 12 years in completing most of the infra-structures, including new telecommunication networks, numerous hospitals and schools, roads, and modern airports.

Some believe that it is impossible to continue the infra-structure projects even if the money needed for such projects is available.

Many Saudis says that they feel grateful for the recent oil prosperity period and that they now have to adapt to a normal economic situation.

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SYRIA

FERTILIZER PLANT FACES ADMINISTRATIVE, PERSONNEL PROBLEMS

Damascus TISHRIN in Arabic 9 Jun 86 p 4

[Article by 'Ali Ma'ruf]

[Text] Before we begin to present the general situation at the phosphate fertilizer plant and the obstacles to operating it at an acceptable productive capacity, and the possible ways of bringing it up to this capacity, we must go back a bit to the day when the contract to build this plant was signed with the contracting party in 1975 at a cost of almost 1 billion Syrian pounds and to the signing of the certificate of provisional receipt on 14 February 1981, followed directly by separate performance tests on the project's production units according to the articles of the contract. The last of these tests on the treble superphosphate unit and the phosphoric acid production unit was completed on 15 November 1981, but they proved to be unsuccessful. It was obvious that they would have to be repeated, according to the reports of the technical receiving committee, because they had not achieved the figures guaranteed in the contract with respect to the amounts and specifications of these two units and the specifications and consumption rates of the aluminum fluoride production unit. However, the contracting party refused to repeat the tests, and he began to procrastinate and to try to get a document attesting to the success of the tests and giving him the right to begin a general test of all the plan's production and support units.

Signing of New Protocol

On 30 December 1981, the minister of industry held a meeting, which was attended by the general director of the public establishment of chemical industries, the general director of the public fertilizer company, some members of the project's technical receiving committee, and representatives of the contracting company. During the meeting they discussed the situation of the project, which had ceased production because the contracting company refused to operate it before being allowed to begin the general test and before the separate tests were judged successful. During the meeting a protocol was signed that contained a number of basic issues, which are:

1. Categorization of the items appearing in Appendix No 1 of the stipulated certificate of provisional receipt.

2. Categorization of the items appearing in the reports by the technical receiving committee concerning the separate performance tests of the project's units.

3. The Syrian side would send a letter to the contracting party giving the latter permission to begin the general test of the entire project.

This is what the Syrian side did, following the final agreement on categorizing the aforementioned remarks, according to what was in the aforementioned categorizations in paragraphs 1 and 2.

Attempts Not Destined To Be Successful

There were many other items which the contracting party had to remedy. He sent many letters to the Syrians informing them of his commitment to implement the work that was to provide a mechanical warranty within a year, and he did in fact begin to implement it. However, in spite of the efforts at alteration and revision that he made in this respect, he was not able to go through with them, and in fact the project ceased operations completely on 11 June 1982 and did not resume them until about 6 months ago. However, productive output did not exceed 55-60 (percent) of planned capacity, and specifications were low in spite of its newness and the fact that there was no justification for its being so far from the capacity and specifications set down in the design.

Reasons for Drop in Output

We would have liked to have discovered the principal reasons for the drop in output at the phosphate fertilizer plant through a direct interview with Ahmad al-Turk, general director of the public fertilizer company. However, the general director was unwilling, and it was impossible to meet with him or even to talk with him by telephone in order to set an appointment, in spite of the fact that his secretary informed him of the nature of our task as a media envoy that was carrying out its investigation with the knowledge and in fact at the wish of the minister of information. This forced us to investigate the reasons why this plant had faltered in various ways, and during that investigation we came upon an official memo sent to the minister concerning our task specifically. It was reinforced by corroborating information from concerned officials who asked that their names not be disclosed, fearing the wrath of the administration. They and the memo attributed the drop in output to:

1. Missing spare parts for the installations and equipment made by the contracting company, the loss of much time waiting for them to be supplied at high prices, and the refusal to deliver them at times on the pretext that the contracting company needed them to do what was needed to remedy the items.

2. Lack of spare parts for the phosphoric acid pumps and the basins for melting sulfur as noted in the contract on spare parts with the BSH company.

These two causes must be removed by supplying the parts, that is, those that are needed immediately and spares, so that it will be possible to replace them quickly and directly when there are emergency breakdowns.

3. Shortage of machinery inside the plant. In this respect the memo notes that the plant consists of the following divisions:

a. Phosphoric acid division.

b. Phosphate fertilizer production division.

c. Sulfuric acid division.

d. Aluminum fluoride division.

e. Water treatment division.

f. Crushing and storage division.

g. Boiler unit.

This is in addition to some other units placed outside of the company's boundaries at a distance of about 7-10 km, such as Unit 100 and Unit 103. These are service units that need periodic, almost daily, maintenance.

This shows the need to have machines in specific numbers that can move quickly during breakdowns that require a long time, during which the necessary parts are taken to the central workshop or to the specialized repair shop. This shortage of machines accounts for 20 percent of the delay in maintenance operations and in the resumption of operation, and it is reflected in production. The machines available in the plant are as follows:

1. A tractor specially designed for hauling the necessary materials to the water treatment unit in the plant--caustic soda, resins, aluminum sulfides, and other essential materials for daily operation--in addition to hauling bales of sacks needed for loading about 100 tons of fertilizer a day.

2. A tractor specially designed for the technical division. It brings spare parts from the warehouses to the plant, and it hauls parts that need rubber removed to the removing workshop. It also hauls motors, pumps, and other parts to the central workshop and back--requirements of a big factory like the superphosphate plant, though a short while ago a Mazda pickup truck was provided to help with this work. There is a large crane for the company, but it is subject to breakdowns and then operations cease, and there is another small, old crane that breaks down more often than it works.

This shortage of machines, the memo said, accounts for 10 percent of the shortfall in production, and it calls upon the workers to make exhaustive efforts to raise, install, and put into operation some of the large pieces, which negatively affect the workers' output and productivity.

Administrative Flaw in Company

It can be seen, the memo says, that a little plant in the public fertilizer company, such as the Cal-nitro plant, has the same aforementioned capacities. However, it is composed of only two divisions, which are the nitric acid division and the Cal-nitro division, whose job it is to extract the fumes from the superphosphate plant and ammonia from the ammonia urea plant. This has an effect on the morale of the workers and has subsequently led to there being many requests for transfers from the phosphate fertilizer plant to other plants in oil production because the work is easy and the privileges the same, in spite of the intrinsic difference in the nature of the work, which in itself calls for extra benefits. Here we point with regret to the fact that the administration's relations with each of the plants is based on personal relationships with the branch administration, and not on the requirements of work and production!

What can be said about the distribution of machinery can also be said about the technical administration. The central technical administration consists of the civilian department, the central mechanical workshop, safety and security, technical inspection, the ironworks and welding workshops, general mechanics, compressors, pumps, and other things, and their services are also concentrated mainly on the ammonia urea plant, except for the central workshop which does work for all the plants. The ammonia urea plant consists of only three divisions, which are the ammonia division, the urea division, and the water treatment division, and it is currently drawing a portion of the treated water from the phosphate fertilizer plant. When there is a shortage of treated water, the Cal-nitro and phosphate fertilizer plants are shut down so that the ammonia urea plant can continue, in view of the difficulty in starting it up when it shuts down, something which sometimes affects it relatively.

Thus we see that the technical administration, in which there are a large number of workers with appropriate skills, is mainly in charge of servicing the ammonia urea plant, while the distribution of workers during cost accounting is done according to a certain proportion of workers at each plant, regardless of work conditions or the requirements of each plant. The phosphoric acid division and the fertilizer production division of the phosphate fertilizer plant call for a lot of muscular strength; a large number of morning workers are also needed for maintenance, as are afternoon and late night shifts. More than a year ago the branch administration asked that certain elements be appointed to do the required maintenance more quickly, but so far no element has been appointed, in spite of the fact that the minister agreed to the appointment early last year, in 1985, and even though the phosphoric acid division, for example, has two mechanics on each shift, and likewise in the TSP [Triple superphosphate] production division, and that is nowhere near enough mechanics when there are breakdowns. Also, the number of workers in production itself must be supplemented in order to cover the requirements for overseeing and operating the machines and for the constant cleaning that is needed in dealing with the hardware. That is because this supplementation, and the increase in the number of maintenance workers in the difficult divisions such as mechanics, electricity, installations, and other shifts, will guarantee that

work will increase by at least 15 percent if spare parts and equipment are made available, even though there have been about 160 resignations during 1984 and 1985 that have not been replaced. This is in addition to others who have become ill or who have permanent handicaps and those who have been afflicted while on the job and who must transfer to administrative positions or other restful jobs appropriate to their illness. All this goes hand in hand with the absenteeism and illnesses which abound in this plant because working conditions are hard, what with the gases and dust.

Problem of Removing Rubber

The great amount of wear and tear on the installations and machinery of the phosphoric division often causes tearing to occur in the installations, and this in turn often causes long stoppages in order to repair the breakdown.

Taking care of any operation to remove rubber takes about 48 hours under ordinary circumstances involving the pipes, and about 7 days when there is a rupture in the concentrators. This reduces the division's productive capacity by about 10-15 percent, depending on the size of the tear, which is not considered to be natural but is attributable to the quality of the rubber and the manner of removal. This can be taken care of by providing parts of all the removed gauges and valves and others so that it will be possible to replace them directly and then to repair them.

Problem of Phospho-gypsum

The byproducts of the phosphoric acid (phospho-gypsum), or calcium sulfate, is estimated to be 3,000-4,000 tons a day when operating under normal capacity, and they are having a large impact on the environment. Even though the problem has been solved temporarily by using the trucks of the public concrete company, the desired solution, which is under study, is to pump out these byproducts with the water, and the implementation of that must be expedited.

Shortage of Technical Cadres

The newness of this industry in our country requires a relatively high level of expertise that is not covered by the local expertise acquired so far, and the contract with the supplying company, which has resulted in the development of 44 experts working in the fields of production, mechanics, installation, and electricity, is not adequate, since each division is allotted only 1 or 2 persons from each specialty.

The memo proposed that the substitution of this foreign expertise with Arab expertise be studied, with expertise from Tunisia, for example, the only Arab country that is well versed in this industry.

Lack of Privileges for Technicians and Producers

Here we must point to the fact, according to the memo, that there is no distinction between workers in the producing and technical divisions in the plant and

others, in spite of the difficult work and their constant exposure to gases and dust. A vivid example of that is that the workers in the nitrogen fertilizer plant acquired a constitutional nature toward production when the plant was shut down, when the contracting company was doing assembly work, at a time when it had been shut off from the time work began and the start-up of the plant, even though our workers do not demand a constitutional nature toward work, since the plant has been considered to be experimental up until now. The salary of each worker is only 725 Syrian pounds, and this is one of the important reasons behind the many resignations, desertions from work, cut-offs, and other problems that do not stop with the shift engineers and foremen because of the difficult nature of the work. In order to remedy that, the following can be proposed:

1. Granting a constitution of work along the lines of the old plant.

2. Granting a constitution for place of work as a necessary privilege for workers in difficult work locations so that they can get good food for themselves and thus be able to continue.

3. Reducing working hours to 6 in some places, as is done in all similar plants in the world, especially Romania.

4. Giving authority to the branch administration, the "plant administration," enabling it to pay incentive bonuses in return for a specific level of productivity and to raise these bonuses when productive capacity goes up and costs go down. We believe this can be done in two ways:

a. Raising the productive capacity.

b. Reducing the administrative workforce as much as possible so that it does not exceed 15 percent. In other words, there should not be more than 400 administrative and service workers, and the rest would be put on the production lines.

c. Not distributing workers to the technical administration and not foisting them on the factory if they do not work in the said factory. On the subject of waste and not wasting materials, the studies are over, and there cannot be any wastage above a minimum level. When these costs are computed according to what has been mentioned, a ton of TSP fertilizer turns out to be very profitable by comparison.

In order to raise the productive capacity in this plant to a reasonable figure of up to 70 to 80 percent the following must be done:

1. Giving all the authority of the general director to the plant direcotr, in the event the factories system is continued, in view of the fact that he is responsible for production. It should, of course, be done on condition that he remain as he is under the supervision of the general director and that he be accountable for shortcomings.

2. Removing financial, commercial, administrative, and planning responsibilities from the central administration and attaching them to the plant director because he is the sole person who knows about production requirements and their importance and is directly affected by shortages.

3. However, if the factories system does not continue, then having a production director and a technical director for the company would be enough, and there would be no need for a plant director, whose role would be covered by the general director.

There is a third solution to the problem, which is to establish a separate establishment for phosphate and nitrogen fertilizers, which would have two completely independent companies, one for phosphate fertilizers and the other for nitrogen fertilizers. That would include the ammonium urea plant and the Cal-nitro plant after they have merged with one another.

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SYRIA

DAR'A CARRIES OUT IRRIGATION, AGRICULTURAL PROJECTS

Damascus TISHRIN in Arabic 4 Jun 86 p 3

[Article by Munir Sallum: Numerous Projects Implemented in Hims Province to Expand Irrigation"]

[Text] The irrigation projects in the province of Dar'a are considered to be among the most important of the vital projects that have been implemented, and that is because of the big role these projects play in irrigating vast areas of agricultural land, especially during dry years. I do not mean to say by that that the agricultural irrigation plan in the province of Dar'a is always being carried out, whereas the degree to which the rain-fed agricultural plan fluctuates from year to year, but we can say that the irrigation projects in the province are receiving the total care and concern from officials and from those involved in matters of agriculture and irrigation.

TISHRIN met with Engineer 'Abd-al-Karim al-Ahmad, director of technical services in the governorate, and he said: In the province of Dar'a there are not an insignificant number of irrigation projects, whether on springs, dams, or the wells dug by farmers on their lands. In what follows we shall describe the situation concerning the water projects existing in the province:

Irrigation Projects on Springs

Lower Yarmuk Project

The area that this project irrigates is 7,000 hectares. These are irrigated using two methods of irrigation:

--Gravitational irrigation in the lower network of canals, covering al-Mazirib lands and irrigating an area of 1,800 hectares. The flow of water is 850 liters per second, and irrigation in this network is continuous 24 hours a day throughout the entire year.

--Irrigation with pumps in the middle and upper networks. The flow in the upper network is 45 liters per second and it irrigates an area of 1,800 hectares, while the flow in the middle network is 900 liters per second and irrigates an area of 2,700 hectares. Irrigation by pumping in these two networks is done 24 hours a day during the summer irrigation season only.

Irrigation Project of Nab' al-Sarayya (Sarraya Spring):

The area irrigated by this project is 350 hectares of the lands of al-Shaykh Miskin, Ankal, Barqa, and al-Dali. The lands of this project are irrigated gravitationally, and the water flow is 50 liters per second, although the flow used to be 170 liters per second. This drop came in the flow of water from the spring because of the dry spell that the district has been subject to recently.

Implemented Dam Irrigation Networks:

The director of technical services added: In the province of Dar'a there are also many irrigation projects based on completed dams, and they are:

--Eastern Dar'a Dam Irrigation Network on Wadi al-Zaydi:

The first and second stages of this project have been put into use. The project is presently irrigating 600 hectares, and these lands are irrigated by pumps and the length of the main and secondary canals in this network totals 25 km.

--Irrigation Network of Big Abta' Dam:

The main and secondary canals in this network total 12 km in length. More than 5,000 dunums are irrigated, and this area is irrigated by means of gravitational irrigation.

--Irrigation Network of the al-Shaykh Miskin Dam:

It is used by the farmers' cooperative association in al-Shaykh Miskin. This network irrigates 1,200 hectares by means of 34 km of main and secondary canals. The lands of this network are also irrigated by the gravitational method over 24 hours.

Projects Being Put Into Effect

Engineer 'Abd-al-Karim al-Ahmad added: It should be mentioned that studies and plans have been made to make use of every drop of water that goes to waste, including surface waters that flow down the valleys. Dams have been built on them, and possible solutions have also been reached to use surface flow water. The province has many irrigation projects at dams that are now being completed, and it is expected that a number of them will be completed within 6 months at the most. These projects are:

(Tusayyil) Dam Irrigation Network:

It is on Wadi al-'Alan, and the lands of this network will be irrigated gravitationally by means of 13,526 long meters of main and secondary canals This network will irrigate 700 hectares, and it is expected that work on this network will be completed shortly. It is being done by the branch of the public company for irrigation establishments in the district.

--Irrigation Network of the Dam of Western Tafas

The lands of this network will be irrigated gravitationally by means of 7,856 long meters of main and secondary canals that are being built by the branch of the public company for irrigation establishments in the district. The network will irrigate an area of 220 hectares, and it is about to be finished and is being put into use.

--Eastern al-Ghariyah Dam Irrigation Network:

The lands of this network will be irrigated gravitationally, and the length of the main and secondary canals used in it will be 7,825 long meters. An area of 2,300 dunums will be irrigated, and this will be done at the end of this year. It is being carried out by the southern district branch of the public company for irrigation establishments.

--'Adwan Dam:

This network will irrigate an area of 600 hectares, and the dam's volume is 6 million cubic meters of water. It is under construction.

He added: Perhaps one of the most important irrigation projects now being put into effect is the irrigation project of Upper Yarmuk. It is one of the biggest irrigation projects in the province, and its goal is to irrigate an area of 10,000 hectares of the lands of Dar'a, 'Atman, Tafas, Da'il, al-Shaykh Mishkin, and Abta' al-Kibatah, providing winter irrigation for rain-fed lands. This will be done by drawing water from the springs of al-Mazirib, Tall Shihab, Zayzun, al-'Ajami, and al-Ash'ari and pumping it through three pumping stations. From there, four open irrigation networks branch off, with secondary channels consisting of underground pipes and a storage dam in al-kaybatah. The total cost of this project is 200 million Syrian pounds, and it was started by the public company for irrigation establishments on 11 March 1985. The planned section of it was completed last year.

Problems Facing Irrigation Projects

Engineer al-Ahmad continued: We must bring up some of the problems which are plaguing the irrigation projects, especially the Lower Yarmuk network. Because of the successive droughts in the district, and the withdrawal of 450 liters per second for drinking water in the cities of Dar'a and al-Suwaida' and the digging of wells in the district, the flow of water from the sources feeding this network has dropped. This drop constitutes an obstacle to the project's fulfilling its function, and therefore we believe that it is necessary to find a water source to compensate for the drop that has occurred by gathering together and pumping the springs of Wadi al-Harir into the three networks, and to line the three earthen channels to prevent the loss of water to seepage and weeds. As for the irrigation network of Nab' al-Sarayya, it has been affected by a shortage of water resulting from supplying the municipalities of Jasim and al-Shaykh Miskin with drinking water. To make up for this deficit, we suggest that a canal be extended from the volume of water stored by al-Shaykh Miskin dam.

The director of technical services concluded his talk with TISHRIN, saying: We ought to point out that it is necessary to compel the companies of the public sector that are implementing the irrigation projects to complete the civil engineering work and the work on the mechanical and electrical installations that they are charged with in order to ensure excellence in the work, and that the best possible use be derived from the projects. We also stress the need to ensure that the private sector gets to the underground irrigation system.

We believe that it is necessary to ensure the availability of heavy machinery that the directorate of technical services in Dar'a needs in order to be able to implement its plan and utilize the existing irrigation projects and those that are being put into effect.

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UNITED ARAB EMIRATES

PROBLEMS FACING CONTRACTORS EXAMINED

Dubayy AL-BAYAN in Arabic 24, 29 May 86

[Article by 'Ali Lashin: "Contractors Complain of Few Major Projects, Competition by Minor Companies, Volatile Exchange Rates, Tardy Disbursements, Compound Interest on Bank Loans"]

[25 May 86 p 3]

[Text] The crisis brought about as a result of oil prices plummeting by about 50 percent early in 1986 has cast gloomy shadows over the economies of OPEC countries in general, and the Gulf states in particular. This has clearly been manifested in declining government expenditure which is the principal stimulant of all sectors of the economy. The contracting industry is one of the foremost sectors severely affected by the setback to oil prices in the Gulf states. Perhaps the best people to talk about the sector's problems are those closely involved.

According to Majed Rashid Lutah, manager of Sa'id and Sultan Lutah Contractors the major problem at present being faced by the contracting sector is the declining work load which is now far below the capacity of existing companies. This has spurred intense competition to stay alive, with the smaller companies quoting prices that are far lower than those bid by the major companies which adhere to quality work standards and whose chances of being awarded contracts for new projects are practically negligible.

Declining Work Load

In the same context it will be noted that the country's infrastructure is virtually completed and the volume of work available to the major companies has diminished to a degree that does not cover their substantial expenses.

A spinoff of this same point is that should the major companies compete and be awarded contracts, these are usually for works of so little value that they cannot cover current expenses. The major contractors thus find themselves in a quandary. Should they dispense with some of their employees and reduce their standards of efficiency or should they retain their full human resources with insufficient projects to keep them busy?

Delayed Disbursements

Majid Lutah added that the second problem is that of payments due to the contractors from the federal government and their irregularity. This is a problem that embarrasses contractors with their employees and suppliers and jeopardizes the timely completion of projects.

Delayed payments are not exclusive to the federal government but have also become a common feature. Property owners are also hanging back on payments due on their villas which, Lutah said, places the contractors in a very embarrassing situation.

Fluctuating Exchange Rates

Lutah went on to say that there is another problem that has started to cause some concern, namely exchange rate fluctuations. Everything is imported; for example: elevators from Japan, ceramics and marble from Italy, Spain and Brazil, reinforcement steel from Qatar and Japan, electronic appliances, health products, furnishings, drapes and finishing materials imported from various countries and regions of the world. Payment is usually in freely convertible currency and when exchange rates rise, more Dirhams are needed to arrange payments.

Concluding his statement Majid Lutah urged that the same steps be taken in Dubayy as were taken in Abu Dhabi, where contractors have been categorized, with projects determining the level of contractors required to bid for their implementation. Companies are categorized as superior, first and second class according to the volume of work each company can carry out in the light of the capital, equipment and work force available to it.

Compounded Bank Interests

Salih Muhammad Bin Lahij, president of Salih Building and Reconstruction Contracting Company, added a further dimension to the problem. He said that one of the major difficulties now being faced was insistence by the banks on charging the high rates of interest on loans as were charged during the oil boom, or about 17 percent. Bin Lahij wondered whether the banks were aware of the changes that had occurred on the domestic scene.

"Are the banks not aware that the volume of work and revenues of contracting firms have declined? Have the banks themselves not been forced to reduce their operating costs by reducing staff?" "Do the banks not realize that the present economic crisis has had an impact on the country's economic life, and that the recession has undermined the feeling of trust between contractors and suppliers who now require payment in advance before delivering goods?" Yet another symptom of the recession is that many companies have ceased their activities and are liquidating their business.

Salih Bin Lahij continued: "Do the banks not know that between 15 and 30 companies compete for any given tender however small even if it is worth no more than 5 million Dirhams, although such tenders rarely attracted the attention of three or, at most four, contractors in the past?"

Bin Lahij concluded his comments by urging the federal government to arrange for more projects to be made available for local companies, which should be awarded equitably in order to restore the former level of activity. He went on to say that delays by the ministries of finance and works in settling payments due to contractors are occurring while banks continue to charge compound interest that now amounts to more than 20 percent (of the principal). These should either be compensated for by the government or waived by the banks, he said.

Finally Bin Lahij paid tribute to the tremendous efforts being exerted by the Dubayy government to support the local contracting industry and expressed his hope that the federal government would do something along the same lines.

Contractors' Assoviation's View

In order to examine the issue from all angles it was necessary to meet with a member of Contractors' Association in the country.

Our meeting was with Salim Ahmad 'Abdallah, secretary general and chairman of the Association's board who traced the contracting industry's crisis to its origins. The urbanization boom started with the beginnings of the United Arab Emirates in 1974. In view of the pressing need for major projects constituting the country's infrastructure the Ministry of Works and Housing went to work designing and executing the projects required.

The private sector too went into action along with the government, and hence execution of the infrastructure attracted numerous consultants and multinational contracting firms which facilitated the emergence of a great many, intensely competitive local subcontractors and a haphazard and unplanned granting of municipal licenses.

Construction Boom

With the influx of multinational contracting firms, the demand increased for highrises and villas which the firms built to lease to their staff. This in turn led the private sector to consider such investment as highly desirable and it therefore concentrated on building housing in the various regions. Hence occurred an uncoordinated construction boom resulting in considerable supply in the last few years which was not matched by commensurate demand. The outcome was diminishing rental values and the private sector was unable to honor its obligations to the banks. At the same time a number of investment firms collapsed which in turn reduced business opportunities for the private sector.

All this being taken into consideration, in addition to the virtual completion of infrastructure projects, works being limited now to essential projects such as hospitals, schools, generating stations and desalinization plant, all of which are too few for the sizeable construction industry in the state, it is easy to visualize the magnitude of the problem facing the sector just now, particularly after the sudden, disastrous, sharp decline in oil prices and adoption by the government of strict austerity policies.

Ministerial Committee for Payments

Salim al-Musa went on to say that everybody is aware that the contracting industry has been, and continues to be, the backbone of the national economy, because of its dependent subcontracting activity and the supplies and stimulation it provides to local markets. Its impact therefore is felt by all other economic sectors related to projects. To this end a committee was set up in recent months by the ministries of finance and works to look into the question of payment of outstandings due to contractors. It is to be hoped that the committee will begin work as soon as possible.

Salim al-Musa then turned to another problem plaguing the contracting industry, and said that the contracts signed between businessmen or consultants and contractors should not be overlooked. The problem to which he referred had been exacerbated by the lack of any standard contract that regulates the relationship between the parties concerned. These parties should cooperate to solve this problem and to establish such a contract that would be approved by the authorities and be binding on the parties involved.

At the end of his statement Salim al-Musa proposed, as a solution to the contracting industry's problems, that some companies turn to maintenance work, reducing their overheads and dispensing with surplus staff. The municipalities for their part should accord priority to local contracting firms for maintenance work they might require.

[29 May 86 p 3]

[Article by 'Ali Lashin: "Call for Exempting Contractors From Late Penalties; Finance and Works Ministerial Committee To Solve Contractors' Problems"]

[Excerpts] We started with Nabil 'Arif, an engineer, who is the director of the Highway Department and who said that his department deals with specialized, exclusive contracting firms, and that there was no competitiveness between large and small companies. Payments are not the concern of the Ministry of Works but of the government. As regards payments to contractors and the dates due, the task of the Ministry of Works ends once payment is approved and vouchers made out, after which the matter goes to the Ministry of Finance. He believes that in order to prevent any payments delays in the future, no new projects should be put up for tender until the amounts required are made available to the Ministry of Works as the executing agency and the contracting

party, before project implementation begins. The latter would be responsible for reviewing and monitoring implementation by the contractors and would issue payment vouchers once satisfied that the contractor has observed all conditions.

The ministry would obviously be in a very embarrassing position vis-a-vis contractor who has observed all conditions and carried out all directives and then applies for payment only to find no one to pay him.

Buildings Department Director

Engineer 'Ali Mohsen Barakat, director of the Building Department does not consider the dearth of new projects to be a problem since the whole question is one of supply and demand.

In his view the problem of competition between large and small contracting firms can be solved by categorizing the contractors, so that firms with comparable abilities, capacities and effectiveness can be grouped together and can compete against each other for projects suited to their abilities, thereby avoiding any serious competitiveness and ensuring comparable prices. Such firms have similar overheads and operating costs.

The ministry has set up an ad hoc categorization committee. A categorization system has been worked out and is now being prepared in final form. The new system will be applicable to all contractors in all emirates who have dealings with the Ministry of Works.

As regards the shortage of new ministry projects, this is due to the special economic circumstances in which the country finds itself and has nothing to do with the ministry.

Director of Contracts

According to 'Abd-al-Muhsin al-Numan, the Director of Contracts, categorization has actually begun, but only 10 firms have responded although notice has been sent to contractors, at their addresses in all emirates, including Abu Dhabi. He is quoted as saying that he does not believe the categorization system will solve the problem, since it is not the sole cause of the contractors' difficulties. On the contrary it will only serve to exacerbate matters because the government is not processing any new major projects in view of the economic situation. If contractors are categorized and the superior grade is restricted to projects costing 100 to 150 million Dirhams, after which the same class of contractors is allowed to step down two classes, they will be able to bid in tenders involving 5 to 10 million Dirhams which would then no longer be exclusively for the smaller contractors, nor would they benefit the larger bidders.

Al-Numan believes that a solution would be possible were the contractors able to contact the municipalities and chambers of commerce through their association to regulate the issue of professional licenses. The problem would thus be solved by the local authorities rather than the Ministry of Works which is a federal agency.

Concerning delayed payments, he proposed that the amounts required be borrowed by the government from the banking system, the government then becoming responsible for the interest, from which the contractors would be exempted. It was al-Numan's feeling that such action would stimulate the local market economy. Once the contractors receive their payments, they would settle with local traders, suppliers and workers. The market would be revived, recession weathered and the burden would be lifted from the contractors.

Regarding the dearth of projects, what is really needed is a carefully studied plan by the state, so that all projects awarded on the basis of their economic feasibility and the extent to which they are needed. Redundant contracting firms would either have to turn to some other business or deal with the markets of the Gulf Coordination Council.

Director of Financial Affairs Administration

Ibrahim 'Abd al-Malik, in his capacity as Director of Financial Affairs, concentrated on the issue of delayed payments and said that the problem is one of liquidity available to the Ministry of Finance and Industry. Sometimes delays are anywhere from 60 to 90 days, although, by law, payments have to be effected within no more than 45 days.

Naturally any delay in payment is going to adversely affect the contractor's implementation of a project and will inevitably delay or defer completion of the project. In other words both parties concerned suffer, the government which is delayed from benefiting from the project, and the contractor whose liquidity position is inadequate and whose staff, being unpaid, is likely to slow down.

The option available to the contractor is to resort to the banks for overdrafts which further increase his financial burdens.

The problem of late payments is without a doubt related to the economic situation in the country, in the whole region in general and in neighboring countries. The governments concerned are fully aware of the situation and the effect it has on the contracting industry. That is why Council of Minister's Decree No 13/2 was enacted on 23 January 1984 exempting all contractors from all fines for late delivery of projects to the ministry. This was followed by a regulatory decree by the minister of finance under No 13 of 1984 enacted by Shaykh Hamdan Bin Rashid, the minister of finance ordering the implementation of the Council of Ministers' decree exempting contractors from such fines.

Issuance of such a decree means that the government is fully aware of the far reaching effects of delay in payment of amounts due to contractors on their liquidity and on implementation of their works and that contractors are not responsible for delays resulting from nonpayment.

Issuance of this decree was part of the efforts made to alleviate the burdens on contractors.

Later many contractors applied to the ministry, government and Council of Ministers for compensation for damage sustained as a result of delayed payments. The Ministry of Works has studied the applications and reported on the matter to the Council of Ministers requesting that some means be found to compensate the contractors. The Council of Ministers issued Decree No 154/6 of 1985 enacted on 1 April 1985 which set up a committee composed of the ministries of finance and industry, works, and planning to hear the views of the contractors, to consider the damages sustained and the reasons thereof and to propose solutions and criteria on which such damage can be assessed and compensation can be evaluated. A comprehensive report was to be submitted to the Council of Ministers.

The committee is currently at work and is expected to complete its task shortly in order to assuage the damages sustained by all concerned as a result of the circumstances described.

13291/8309
CSO: 4404/399

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

YEMENI COUNCIL FOR PEACE ELECTS NEW OFFICIALS

Aden ENGLISH DAILY BULLETIN in English 17 Jun 86 pp 2-4

[Article: "The Presidium of Yemeni Council for Peace, Solidarity and Friendship With the Peoples, Re-formed" Article published as printed]

[Text] The Political Bureau of the Yemeni Socialist Party decided to re-form the Presidium of the Yemeni Council for Peace, Solidarity and Friendship with the Peoples, taking into account that the question of peace and struggle for achieving peace, occupies a significant place in the documents and proceedings of the Party. As well as it comes in the most important tasks set up in the filed for foreign policy.

The Yemeni Socialist Party has been extending support and assistance to the council considering it one of the important fronts which along with other peace movements is wagging the tireless struggle in order to strengthen the firm support for establishing a real world peace, and to safe the mankind from nuclear destructive wars.

In order to promote the struggle for peace upto the level which is marked down by the Party documents and proceedings, and the march of developing world peace movement, the reformation of the Presidium is completed as follows

1.	Dr. Abdulla Al-Khamiri	President
2.	Dr. Salim Omer Bukair	Vice President
3.	Abdul Wareth Abdul Ghani	Vice President
4.	The General Secretary of the Workers Trade Unions of the State	Vice President
5.	The President of the Yemeni Woman General Union	Vice President
6.	The General Secretary of Fatah Yemeni Socialist Youth Union	Member
7.	The President of the National Leadership of Peoples Defence Committees Organisation	Member

8.	The Leader of National Leadership of Peoples Militia	Member
9.	The General Secretary of the Democratic Yemen Peasants Union	Member
10.	The President of the Journalist Organisation of Democratic Yemen	Member
11.	The President of Higher Council of Sports	Member
12.	The President of Central Council of Yemeni Students	Member
13.	The Director of Aden News Agency	Member
14.	The Chief Editor of Athawri Newspaper	Member
15.	The Chief Editor of 14th October Newspaper	Member
16.	The Chief Editor of the Magazine of Contemporary Issues	Member
17.	Abdul Razak Shayef	Member
18.	Mehdi Abdulla Saeed	Member
19.	Qassim Abdul Rab Saleh	Member
20.	Salim Mohamed Gubran	Member
21.	Shafel Omer Ali	Member
22.	Abdul Wasea Sallam	Member
23.	Ali Ismail Saif	Member
24.	Abdul Wareth Saeed Al-Ibbi	Member
25.	Chief Justice of State Supreme Court	Member
26.	Al-Khadher Saleh Hamzah	Member
27.	Abdulla Muhirez	Member
28.	Fatoom Addali	Member
29.	Sheikh Yehia Kahtan	Member
30.	Ahmed Mahfood Omer (Writer)	Member
31.	Mohamed Murshed Nagi (Artist)	Member
32.	Idris Hambalah (Poet)	Member
33.	Hussain Abu Baker Al-Muhdhar (Poet)	Member

34.	Mohamed Saeed Garadah (Poet)	Member
35.	Dr. Abdul Rehamn Abdulla Ibrahim	Member
36.	Mohamed Jafaar Zain	Member
37.	Mansoor Muttala	Member
38.	Aisha Mohsin	Member
39.	Dr. Amin Nasher	Member
40.	Mohamed Zain	Member
41.	Mohamed Ghaleb Abdulla	Member
42.	Ahmed Abdulla Majeedi	Member
43.	President of the Section of International Organisations at the Central Committee	Member
44.	Ahmed Abdulla Mohamed	Member
45.	Dr. Al-Hattab	Member
46.	Dr. Al-Hurriebi	Member
47.	Saeed Aulaqi	Member
48.	Nasroor Mabrook	Member
49.	Dr. Al-Dhafari	Member
50.	Ahmed Al-Hubaishi	Member
51.	Abdulla Mohamed Al-Hurriebi	Member
52.	Dr. Majeed Ghanem	Member
53.	Sabah Asyeid Ali	Member
54.	Dr. Noori Farea	Member
55.	Dr. Asma' Reymi	Member
56.	Abdul Kader Haddad	Member
57.	Mohamed Irbed	Member
58.	Atiq Saqareeb	Member
59.	Al-Qirshi Abdul Raheem Salaam	Member
60.	Farouq Hakeemi	Member
61.	Mohamed Abdo Abdulla	Member

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

CABINET SESSION VIEWS TRADE WITH BULGARIA

Aden ENGLISH DAILY BULLETIN in English 17 Jun 86 pp 6-7

[Text] The Cabinet has held its periodic meeting yesterday, morning headed by Dr Yassin Saeed Noman member of the Politburo and Prime Minister.

The council has discussed a number of issues reports in its agenda where the council got acquainted with the outcomes of the work visit made Dr Prime Minister to the Soviet Union, valuing the successes carried out by the visit. The council has praised the different forms of support which extended by the Soviet Union to our country, indicating to the outcomes of the visit which will participate in promoting militant relations between the two friendly countries and peoples.

The council has discussed assessment reports regarding the activity of the two ministries of Communications and agriculture of the last year 1985, and the activity of public corporation for electric power and carrying out its projects during last year 1985, it has approved to publish local school-books so as to ensure the supply of a great number of students in different stages of studying, it has also approved to arrange the news work of the mass information media which included the news Political objectives and the rules of the news work, and to present important news at the aim of extension of the news service and to improve, and to develop in form and content, so as to rise up its level and to be more effecting among the people, as well as to be more understanding for democratic contents for national democratic regime in according to the policy of the Party and State.

The Cabinet stressed the necessity of creative implementation of the resolutions of this session by the governmental machines, the State institutions and cooperatives and State Farms, and urged all the workers in the various machines and sectors to work for mobilizing their efforts at the aim of implementing these resolutions.

The council got acquainted with the report of the technical committee in regard of collection and removal of damages of the unsuccessful coup conspiracy in institutions, buildings, national properties in the civil sector, has took charge the specializing ministers to prepare complete projects in regard of reconstruction of the damages in the light of the third five year plan, it has also got acquainted with the outcomes of the visit of minister of Industry and Trade and Supplies to each of People's Bulgaria and Syria. The council has approved the protocol of Trade, loan for goods between our country and people's Bulgaria for 1986, and it has approved a number of resolutions regarding issues discussed. [Article published as printed]

/9274
CSO: 4400/234

SOVIET MOVES BELIEVED DELIBERATE

Paris EST & OUEST in French No 32, Jul-Aug 86 pp 5-7

[Article by Jean-Christian Kipp: "Some Impressions from Northern Afghanistan"]

[Text] (As part of a humanitarian mission, the author of this article recently spent 3 months among the Afghan population and resistance in the northern regions of Afghanistan, near the Soviet Union. He gives us his opinion on the situation in that part of the country which is little known and little visited by Western "missionaries.")

After 10 years of fighting, there are increasing allusions about the "bogging down" of Soviet power in the conflict against the Afghan resistance. By way of evidence, we have Gorbachev's latest remarks which today would appear to express the desire of the USSR to get out of this war by taking the political route which would not rule out the withdrawal of its troops from Afghanistan, according to Diego Cordovez, the UN mediator for Pakistani-Afghan negotiations.

Was it the recent American promise of supplying the resistance with Stinger missiles, the first effective AA weapon which it would then have? Is it the relatively good performance of the resistance in the face of last year's particularly violent Soviet offensives? Is it, finally, the accumulation of negative domestic and foreign effects which the conflict would entail for the USSR? Are these the events that caused this recent posture on the part of the Soviet authorities? While, in the opinion of specialists, this latter possibility could hardly be given serious consideration for this almost forgotten war which, compared to the vastness of Soviet power, is continuing within very restricted limits (120,000 men for an army with a total personnel strength of 3.7 million and a population of 276 million, moreover without any real ability to act upon the policies being pursued), the same however should not be true regarding the first two possibilities.

Their respective realities must however be viewed in their proper hues and shades. In Afghanistan, the United States first of all got us accustomed not, in reality, to keeping the promises given the resistance; thus, some observers, journalists, or members of humanitarian associations, who criss-crossed almost all of Afghan territory in 1985, witnessed the failure to apply the aid of $250 million voted by Congress in 1985. Now, the Soviets do not have the habit

of yielding to vague threats. Likewise, it seemed, in the light of the situation in certain regions of Afghanistan, that the balance of forces is much less certain than one might believe on the basis of observations along the border areas and that, generally speaking, the military pressure exerted by the Soviet Army is considerably below its immediate potential in the field.

During a trip lasting 3 months in the territories which, beyond the Hindu Kush, extend all the way to the Amu Darya River, the natural border with the USSR, the team we constituted nevertheless had to find that the situation was visibly developing to the detriment of the resistance. Rather than the performance of men, it was the unfavorable geopolitical conditions (arid and rather flat zone unsuitable for guerrilla warfare, closeness of the Soviet Union, remoteness of sanctuary and aid source represented by Pakistan) which are the cause of that. With a certain measure of intelligence, Soviet strategy did not consist in benefitting from these advantages in order completely to destroy the opposition but only to neutralize it insidiously. The illusion of a still active resistance as a matter of fact offers the twin advantage of reassuring the population and fooling international opinion.

For example, rather than trying to wipe out the groups belonging to the Jamiat-Islami Party, which in the past was very powerful in this region, the Soviets were content with simply eliminating its leaders. At the beginning of last year, the young commanders who conducted an urban guerrilla war with so much spirit in the town of Mazar-i-Sharif, were killed, one after the other, almost methodically, under circumstances that inevitably make one think of executions. Their boss, the Emir Zabiullah, who had been considered the most promising figure in the resistance by some people, was also killed, with his entire staff, by a mine placed on a road theoretically controlled by the Mujaheddin. Deprived of real leaders, the members of the resistance became warriors who emerged from another age, disorganized and totally ineffective in a modern war.

The next fact reveals the strategy that was employed: a short time later, that same party's positions were no longer bothered during a bombing raid which last September was made against the rich valley of Shulgar, 60 kilometers South of Mazar-i-Sharif, whereas the very nearby positions of the two parties that remained more active, the Nasr and the Hezb-Islami parties, caught the full force of Soviet fire power.

The determination to destroy at minimum cost and to suppress only that which represents an immediate threat thus appears quite clearly. Out in the field, the advantages of such a policy are immediate: it permits minimum recourse to armed force which, in addition to the savings in men and materiel, makes the Soviet presence more bearable in the eyes of the population. Even more seriously, it is liable in the long run to trigger a process of rejection by the population: under conditions that have become difficult, an inactive or ineffective resistance as a matter of fact runs the risk of being considered a parasite.

This latter point is further accentuated by the systematic recourse, on the part of the Soviets, to threats and reprisals against the civilian population. Near the town of Rhulm, located halfway between Mazar and Kunduz, runs the strategic Mazar--Kabul highway, the umbilical cord of the occupation system. On this freshly asphalted highway run all the trucks needed to supply the government-controlled zone without interruption from morning until nightfall and generally without the slightest escort. Although it is a perfect strategic target, this highway, as throughout the entire region, is not subjected to any attack here. The status quo prevails here: "If you attack, our troops will occupy the town and threaten the population; if you do not attack, you can keep control of it." Such are the terms of this tacit deal. "In this way we will save on the employment of additional forces while waiting for the town to fall into our hands, like a ripe fruit, when the time comes," the Soviets could add. A heavily protected post, built along the outskirts, makes the threat tangible; that is enough.

In the region of Kunduz, likewise, several villages were wiped out at the beginning of last year as a reprisal for the killing of a Soviet officer, in other words, 700 victims among the civilian population in a single day. Today this region is quiet as if it were dead. And why should that be astonishing? Half of the population emigrated to Pakistan, most of the resistance troops have been scattered and those that remain are content with just existing under the ceaseless comings and goings of the helicopters from the nearby air base. Here again, there has been a status quo since then.

There are no directly destructive actions aimed at the civilian population, apart from those acts of reprisal. South of the Hindu Kush, in Paktia, in Kunar, the region around Kabul, there is a constant stream of eyewitness testimony as to random massacres, accompanied by the killing of cattle and the destruction of crops; but this terror policy has not been carried out here. Everything is happening as if the authorities wanted to spare the population. During the offensive against Shulgar, which we mentioned earlier, the civilian population, although openly on the side of the resistance, was not bothered during the 3 days the enemy tanks were there. Before leaving quite on their own initiative, the Soviets were satisfied with proving their power, leaving a population that was impressed and that perhaps believed a little bit less in the resistance and a little bit more in the concern of the occupier.

Limited destruction, blackmail, reprisals, throwing their weight around, and the strategy employed here are based, in perfect colonialist style, on two key ideas:

establishing a new military status quo that would leave the resistance unable to operate effectively;

benefitting from this status quo to institute political integration.

This latter idea is based on proven means which display redoutable effectiveness when they are given enough time to work: creation of new elites, economic warfare, persuasion, etc. In addition to its effectiveness, it

offers the advantage of sparing the Soviet Muslim republics which have the same culture and the same ethnic origin (Uzbek, Turkmenian, or Tadzhik) as the northern part of Afghanistan. A too restrictive position would entail the risk of being badly received.

Certain results are already beginning to emerge. Along the lines of communication, certain villages have joined the government forces, thus considerably improving their situation. This process seriously threatens a region that is facing grave survival problems (the drought further increased the decline of agricultural production following the war). Will the faith of the Afghan people be strong enough in response to manifestations less tangible than the threat coming from a rifle?

Recourse to a policy of integration states the solution to the "Afghan problem" in long-range terms. Here, all the Soviets are doing is to continue the slow movement which almost 2 centuries ago was started toward warm-water oceans. Deriving maximum benefit from the strength that springs from the proximity of its own territories, the Soviet Empire slowly prevailed and never retreated, thus sacrificing impatience to certainty.

Here again, certain indications make us believe that there is no intention to let the prey get away. In Mazar-i-Sharif, 10-meter wide avenues were opened by bulldozers at regular intervals in the labyrinth of the little Afghan streets, thus cutting the town into squares that are easy to isolate in order to render them unsuitable for guerrilla warfare in the future and perhaps for all time. Between the Soviet border and that same town, a new city is being built in the middle of the desert. This city is Heraton, of which one does not know whether it is the new residence of the Afghan government or, why not, the future capital of the "Soviet Socialist Republic of the Plains of Northern Afghanistan."

One can as a matter of fact envisage that the USSR is trying, under Kabul's aegis, to separate the country into two autonomous regions, on either side of the Hindu Kush. Benefitting from the historical, geographic, and racial differences between these two regions, it could, with a measure of effectiveness, apply the strategy adopted in the North and postpone its designs in the South until later. Afghanistan is a vast country; it would be logical for the USSR not to grab it all at once.

The lessons to be learned from these considerations are, on the one hand, that one must not necessarily see a balance of forces in the current situation, a failure of Soviet strategy, but, on the contrary, a lucid and deliberate choice. Time works for the Soviets and not the Afghans; it would be dangerous for observers to get use to that out of laxity or for the sake of intellectual comfort.

On the other hand, the address which announced the rapid withdrawal of the Soviet contingent appears difficult to believe. It is as a matter of fact incompatible with the current strategic choice made in the country's North which can bear its fruits only in long-range terms, over at least one

generation and which, by virtue of that fact, is dependent upon a stable and permanent military presence. By way of corollary, it appears that the currently observed intensification of offensives along the Pakistani border is not designed to seize a position of strength with a view to negotiations but rather to cut the resistance off from its rear base and to intimidate Pakistan.

5058
CSO: 4619/29

MONTAZERI URGES END TO FIGHTING IN LEBANON

Tehran KEYHAN in Persian 7 Jun 86 p 18

[Text] Qom-KEYHAN Reporter: Due to the recent breakout in Lebanon, a message was issued to the Muslims, clergymen and religious leaders residing in this country, from the great Ayataollah Montazeri.

In this message, the great Ayatollah Montazeri urges the clergy, religious leaders and the Palestinian Muslim fighters to end the recent breakout (of fights) in Lebanon as soon as possible.

The content of the great Ayatollah Montazeri's message is as follows:

In the Name of the Most Powerful. Great learned clergy and fighting Muslim groups, may God be assisting you all, at the beginning of the holy day of Jerusalem, unfortunately, the puppets of Zionism and the agents of America have again transformed the internal peace cease-fire to a sectarian war and killing of brothers, among the Lebanese and Palestinian brothers. Instead of unified and strong mobilization against the Zionist aggression and other enemies of Islam and the Koran, they have weakened the unity of Islam in the oppressed Lebanon. It is surprising that the heads of the Islamic and Arabic countries are endorsing these tragic events by their silence, while talking so much about the Arab unity. Is Lebanon not an Arab country? I do not know why, under the conditions when the Islamic movements are blooming and growing in many oppressed countries including Egypt, Jordan and Nigeria and when the revolutionary and Muslim youth of these countries, despite their sectarian differences, have unitedly aimed at the principle enemies of Islam and the Koran and are not deceived by their instigations and infusions, should in a country like Lebanon where on the one hand the level of the movement of its Islamic fighters is so high that they have driven the tyrant Israel and other aggressive powers out of their country with disgrace and hardship; and on the other hand is the defile of the Middle East and the center for the conspiracies and plots of all the superpowers, the Muslim fighting groups who all share the motto of fighting against Israel and America, will once in a while under sensitive time and conditions, including on the international day of Jerusalem which as indicated by the great leader of revolution is the day of Islam and belongs to all the Muslims, unknowingly bring America and Israel's wishes into reality and start a civil war based on unimportant excuses instigated by unknown mysterious and corrupted agents for the benefit of the enemies of Islam and the Koran.

Again, I respectfully call the attention of the great clergy of Lebanon, all the Lebanese and Palestinian Muslim and fighting populations and groups to the present sensitive conditions of Lebanon and the conspiracies underway to suppress the Islamic movements in that country and deviate the course of the Palestine revolution; and I am modestly asking them to pay full attention to the consequences of these bloody outbreaks which are nothing but directed towards the interests of Israel, America and others. In this holy month of Ramadan which is the month of mercy, servitude and struggle and when all the Muslims of the world are preparing and planning for glorious marches and demonstrations of the great day of Jerusalem, to stop these violent outbreaks and as in the last year, at about this time, my missionary council had missions and suggestions, it is necessary that at this sensitive time the leaders of Islam and the learned clergy would also fulfill their momentous duty well by (providing) informed leadership and through the interference of committed and knowledgeable people as to the issues concerning Islam and the Palestine revolution and Lebanon, try to solve the disagreement causing problems through dialogue and logical discussions in an atmosphere of brotherhood, and do not tolerate the happiness and success of the enemies of God and Islam and the misery and anxiety of the friends of the Koran.

I ask the powerful God, for the unity of expression of all the Muslims and the honor and triumph of Islam and the Muslims and the abandonment and destruction of the exploiters and the world Zionism and their agents.

Peace be with you and God's mercy and blessing.

Fourteenth of Khordad 1365 corresponds with the 25 Ramadan 1406

Hoseyn 'Ali Montazeri

12213/7051
CSO: 4640/326

KHO'INIHA: RELIGIOUS AWAKENING CAN REMOVE ISRAEL FROM REGION

Tehran KEYHAN in Persian 7 Jun 86 p 2

[Text] The reason why 7 years after the victory of the revolution, we see certain people are trying to obtain wealth, even unlawfully, and that a person who fulfills all religious percepts turns out to overcharge for goods or sell wasteland to others, or that more Islamic dressing and anti-revolutionary acts are committed by some, is that there has not been awakening in these people and they have not understood the message of the revolution.

At the threshold of the bloody uprising of Khordad 15th and the establishment of the world (international) Jerusalem Day, his Eminence Musari Kho'iniha, the Public Prosecutor of the country, at a gathering of the prosecuting personnel, in his speech including the above made some statements in regard to the ways to enjoy the blessings of the blessed month of Ramadan and the role that the uprising of Khordad 15th played in the victory of the revolution and the importance of celebrating the holy day. At the beginning, in regard to the necessity of the correct enjoyment of the blessings of the blessed month of Ramadan he stated: The first step in moving toward God is awakening from carelessness and if the movement is taking place without awareness, not only it does not pull man toward God, but that there is great probability that it might end in a deviated path. It is the same with worshiping; if man worships with awareness and in an awakened manner, the result will be desirable and it would direct him towards God. However, worshiping in a careless and unaware manner, not only does not make man godly, but will be the source of series of other elements which causes feelings of self-conceit, pride and haughtiness which in addition to eliminating the effect of the worship, it will also create trouble. He added: If we realize that the Great Prophet of Islam invites us to, to walk in his path, which is the next step, become possible. But if we don't realize that goal, we have obeyed without awareness which will not be of consequence. That we see, now after seven years since the victory of the revolution, some are still trying to obtain wealth even unlawfully and that the problems of non-Islamic dressing have still not been solved and is even one of the considered issues for the society and the authorities and that we see there are those who take a deviated path, because they have not awakened and have not understood the message of the revolution. There are still groups who have not understood the statements of the revolution and express the statements of fifty years ago.

His Eminence Kho'iniha, in regard to the uprising of Khordad 15th, also said: In the uprising of Khordad 15th by the Muslim nation of Iran, there was the first step and awakening and the message of awakening was announced by the glorious leader of the revolution, on that day so that the nation would realize the carelessness of the Shah's regime and the continued oppression and understand the Islamic government and Islamic commands and we saw that they were awakened and they understood and the Shah with his great power could not resist an awakened nation who was receiving its direction from its religious beliefs; and the awakening of Khordad 15th produced its result in Bahman of 1357 [21 Jan 78-19 Feb 78] and the Islamic revolution gained victory.

Therefore, awakening is the first step in every path toward the truth and the person who is awakened will never be involved in great sins, and that we see a person who fulfills all religious percepts, but on the other hand, turns out to overcharge or sells waste land to people is because there has been no awakening.

The Public Prosecutor of the country, in another part of his speech in regard to the holy day and its role in the victory of the Muslims of the world, stated: We must use the experience of Khordad 15th in relation to the Qods [Jerusalem]; and no doubt the first step in the liberation of Jerusalem is awakening of the Muslims of the area in regard to the existence of the enemies of Islam, and Zionism. He added: When the precious Jerusalem becomes occupied and the importance of the liberation of Israel is discussed, it is obvious that they have not known Zionism, because sometimes Israel blackmails America and many heads of states in the Islamic countries are worthless servants of Israel and its Zionist regime.

He also said that at first Israel drew the Jews to the Palestinian land by the use of religious slogans and religious motives and on the other hand, the Islamic governments confronted her with religious motivations and if they had acted, based on their religious and Islamic motivations, in driving out this cancerous tumor, they would have gotten rid of its evil, at the beginning, because the Muslim people give their lives for their religion. However, these fools did not know that they should confront them with the flag of Islam. Therefore, if religious awakening is established in the Islamic societies to confront the dangers of Zionism and Israel, the Muslims will bring such an end to Israel that the history will even forget that such a beast ever existed in the region; and we not only symbolically celebrate the day of Jerusalem as combat against Israel, but also announce it as an awakening symbol and now we are awakening the Muslims.

12213/7051
CSO: 4640/376

IRAN

CONSTRUCTION OF HOUSING COMPLEX FOR WORKERS ANNOUNCED

Tehran KEYHAN in Persian 12 Jun 86 p 19

[Text] Method of investments of the Social Security Organization during the year 1365-1366 [21 Mar 86-20 Mar 88] was discussed. Establishment of construction complexes for workers and cooperation in housing construction with the insured are the most fundamental axes of investment of the Social Security Organization for the current and upcoming years.

Dr Abolfazl Gharazi, the managing director of the Social Security Organization, in his press conference yesterday morning, announced the above-mentioned news and added: According to the regulation passed by the Supreme Council of the Social Security Organization, during 1365-1366 period, this organization will be involved in projects concerning the establishment of the Social Security Investment Corporation, construction of residential complexes for the workers and cooperation in housing construction with those insured by the Social Security.

The Social Security Investment Corporation, with a capital equal to 2 billion tumans, is an independent legal entity which is active in matters concerning production, trade and services.

He said: Establishment of residential complexes as mass construction is another project of ours for this year and the next. Presently, in cities of Qazin and Isfahan each, 500 units are being constructed and given to the workers.

Dr Gharazi added: Participation in housing projects, with the insured, is another regulation approved by the Supreme Council of Social Security which will be carried out through Housing Cooperative Society of the insured, and the extent of this participation is up to 500,000 tumans per residential unit. He added: Of course those who wish to build their own houses, will be introduced to the Workers' Welfare Bank.

In regard to the payment of the installments of this participation (joint venture), the managing director of the Social Security Organization said: After the construction of the houses, the sum of the loan will be paid back in 20 years with 6 percent interest which comes to about 3,000 tumans per month and represents good assistance to the insured.

Dr Gharazi then pointed out the investments of the organization in the past year and said: The past investments of this organization have been mainly in terms of buying and selling constructed houses, trucks, ships and limited partnerships with some foundations equivalent to 3 billion tumans in the year 1364 [21 Mar 85 - 20 Mar 86] which brought a profit of 200 million tumans to the organization that was added to the reserve funds.

He added: Out of the 27 percent insurance fees received .9 percent is allocated for medical needs and the rest for other commitments of the organization to the insured (Members) such as retirement, disability, pension for survivors and marriage cost assistance. And the reserve funds have to be maintained in a manner to be sufficient for our commitments in the future and this makes the investment necessary.

The managing director of the Social Security organization, then, pointed out the regulations passed by the Supreme Council of the organization in regard to the creation of medical clinics and hospitals and said: in the year 1365 [21 Mar 86 - 20 Mar 87], 16 hospitals and 39 clinics will be founded in the country.

He, at the end, thanking the employees of the organization, announced that a check for the sum of 3 million rials, a gift of financial assistance from the employees of this organization, was presented on 11 June 1986 to the Army of Mohammad, Prophet of God.

12213/7051
CSO: 4640/326

IRAN

OFFICIAL DISCUSSES PROCESS OF MILITARY TRAINING FOR STUDENTS

Tehran, JOMHURI-YE ESLAMI in Persian 27 May 86 p 12

[Text] JOMHURI-YE ESLAMI News Department:

The Minister of Education, Mr Akrami, accompanied by Messrs. Heydari, Zarahani and Fani, Deputy Ministers in Charge of Manpower, Developmental and Educational Affairs, respectively, were interviewed by the Iranian press, radio and television yesterday morning. During this interview they discussed the process of military training for students and also answered questions regarding the establishment of model schools, the soldier/teacher project and non-profit schools.

Our correspondent reports that Mr Akrami opened the interview by saying that in accordance with the clear order given by the Holy Qoran about creating a readiness to fight against the enemies of Islam, the order of the great leader of the Islamic Revolution regarding the creation of an army of 20 million men, and clause 2 of Article 1 of the Military Service Bill, the Ministry of Education was responsible to introduce military defense training into the curricula of junior high schools and high schools. He added that the training in girls' high schools will be limited to civil defense. The Minister added that, in order to prepare for the implementation of this law, the Ministry of Education had taken steps to establish a Council composed of Deputy Ministers in charge of Education, Research and Planning, Training, Educational Affairs, Manpower Supply and Training, War and Inter-Province Coordination as well as related experts from the Ministry of Education, representatives of the Islamic Revolutions Guards' Unit for the Mobilization of the Oppressed, the Joint Chiefs of Staff of the Islamic Republic of Iran, the Gendarmerie and the Military Service Department.

He added: "The Council has met on several occasions since the month of Esfand 1363 [20 Feb - 20 March 1985] to examine the various aspects of the aforesaid matter and has come up with a comprehensive 6-year educational plan (starting on the second year of junior high school and ending on the 4th year of high school) and has approved its implementation phases. In accordance with the decisions of this Council, the first phase of this training will start during the Sept 1986 - June 1987 academic year and will consist of an hour of training per week. This program, for which a book has already been published, will be introduced into the academic curriculum of second-year male junior high school students."

Then Mr Zarahani, Deputy Minister in Charge of Training, mentioned that over one million male second-year junior high school students will undergo military training during the new academic year and provided the following details about the training:

"The regional Training Affairs offices will be responsible for implementing the military training project for second-year male junior high school students. They will be assisted in this matter by the Islamic Revolution Guards Corps' educational and mobilization units. In addition to theoretical training, students will also receive practical training at military garrisons. The purpose of this military training is not to send the students to the front; joining the fighting at the front will remain voluntary. The military training of second-year junior high school male students in urban areas will be done by one thousand teachers and two thousand teachers will be responsible for providing this training to students in rural areas while maintaining their regular job titles and grades."

Mr Zarahani added "Teachers of military defense training will be selected from among training instructors, teachers who have graduated from Teacher Training Centers since 1981, vocational and technical training instructors, sports instructors and other interested teaching professionals. Priority will be given, however, to those who have received military training, those who have fought in the war and relatives of martyrs. Also, if in a school, the proportion of training instructors to students is not lower than 1/250, these training instructors will have the obligation to remain at those schools and to teach military training there. This summer, qualified researchers will undergo training in several garrisons and will familiarize themselves with how the military works as well as how they should conduct the military training. With regard to the compensation paid to the teachers of these defense readiness courses, due to the financial limitations that we currently face, we have tried not to create an additional financial burden for the government and we have arranged to pay these teachers through funds set aside for overtime pay."

Then, Mr Heydari, Deputy Minister of Education for Manpower Supply, mentioned that negotiations were underway with the Military Service Department to enable students of Teacher Training Centers to receive military training and announced that the graduates of these schools will continue to benefit from military exemption during peace.

Mr Fani, Deputy Minister for Educational Affairs then took the stand to discuss the soldier/teacher project. He said: "The soldier/teacher project was successfully impelmented for the first time in Kordestan two years ago. Last year, in addition to Kordestan, this project was also implemented in Western Azerbaijan by the Literacy Movement and the Ministry of Education. Thanks to the coordination efforts made with the High Council of Defense and the Gendarmerie, 3,000 soldier/teachers will be accepted by the Literacy Movement and the Ministry of Education this year and they will start their work in several provinces."

He then mentioned that the articles of association for the Model Schools Project had been prepared and they had been approved by the Council of Deputy Ministers of Education. He explained: "According to this project, that will be implemented in southern sections of Tehran, its surrounding cities as well as other

cities and provinces in the country starting in September 1986, special high schools for talented students will be created. The primary selection criterion in these schools will be the students' general average in the third year of junior high school. At present, the initial steps for establishing these schools in Tehran and other provinces have been taken and we hope that this project will be extended to junior high schools next year."

The discussion was continued by Mr Akrami who said that planning should be in proportion to the war. He added that according to the decision of the Council of Directors General, all the Ministry of Education headquarters personnel are under the obligation to complete the military training course. With regard to people's participation in educational matters, Akrami said "The Ministry of Education always welcomes popular assistance and that we believe in the principle of popular participation in educational matters. We do believe, however, that the Ministry of Education alone should appoint or dismiss school principals and select or cancel educational programs." "In order to have people participate in educational matters, 50-, 200-, and 500-Toman notes will be printed and given to Parent-Teacher Associations for distribution among the students' parents. Regarding special regulations which will be prepared in this matter, people's financial contributions will be used to strengthen the students' academic level and to provide schools with necessary equipment and facilities." Mr Akrami then mentioned that a benevolent man had given 15 million Tomans to the Ministry of Education in order for the latter to establish a teacher training institute in the Lamard region in Fars Province and requested that students' parents assist the Ministry by purchasing the notes from the Parents-Teachers Association.

The Minister of Education concluded by saying that some of the Islamic Consultative Assembly representatives including members of the Educational Committee believe in people's participation in educational matters rather than establishing non-profit schools and they have the intention to eliminate this word from the related bill. He continued by saying, however, that the bill regarding the people's participation method in managing non-profit schools had already been prepared and will be presented to the Islamic Consultative Assembly the following week.

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IRAN

UNIVERSITY QUOTAS SET ASIDE FOR FAMILY OF MARTYRS

Tehran, JOMHURI-YE ESLAMI in Persian 29 May 86 p 11

[Text] JOMHURI-YE ESLAMI News Department: Hojjat al-Eslam Seyyed Ja'far Hojjat-Kashfi, Supervisor of the Educational Unit of the Martyrs' Foundation and Officer in Charge of the Headquarters for Planning the Educational Affairs of the Martyrs' Children, described the aforesaid Headquarters' achievements with regard to the education of the martyrs' children yesterday morning during an interview with the Iranian press, radio and television.

Our correspondent reports that the aforesaid started by referring to the message the Emam had sent to the Supervisor of the Islamic Republic's Martyrs' Foundation and explained that the latter had been ordered by the Emam to cooperate with the Minister of Culture and Higher Education and the Minister of Education and to follow up on the educational issues of the children of martyrs, prisoners of war, the missing and the wounded. He said: "As education is, on the whole, a delicate and sensitive matter, both short-term and long-term programs have been devised for educating and training the children of martyrs. In order to implement the Emam's order regarding the education of the martyrs' families, a Planning and Programming Council composed of the Emam's Representative, the Supervisor of the Islamic Republic's Martyrs' Foundation, the Ministers of Culture and Higher Education and Education; and a Planning Headquarters composed of plenipotentiaries of the Martyrs' Foundation, the Ministry of Culture and Higher Education, the Ministry of Education, the Foundation for the Oppressed and the Voice and Vision of the Islamic Republic have been formed."

Mr Kashfi said that in order to register the martyrs' children for the current academic year, the city of Tehran had been divided into six [sic] regions composed of the north, west, east, south and Shahr-e Rey. He added: "In each of these regions, 2 primary schools for boys and 2 primary schools for girls will be established for boys and 2 primary schools for girls will be established. In other words, the entire Tehran area will have 24 such primary schools where 50 percent of students will be children of martyrs and the remaining 50 percent will be selected from among children of families whose characters and morals have been approved. This will ensure a healthier environment. Each school will have around 250 to 300 students and the registration of the martyrs' children in these schools will be compulsory. The Martyrs' Foundation will be responsible for the transportation and the food of these latter students."

He added that one junior high school for boys and one junior high school for girls will also be established in each of these northern, western, eastern,

southern and Shahr-e Rey regions. Each of these 12 schools will have about 250 students, among which 35 percent will be children of martyrs and 65 percent children of selected families. The registration of martyrs' children in these schools will be compulsory and the Martyrs' Foundation will be responsible for the transportation and the food of these latter children.

Some good and reputable high schools will also be selected in Tehran and the family of martyrs will be encouraged to register their children in these schools.

Kashfi added: "The Tehran General Department of Education will be in charge of supplying the space and the teaching staff for the aforesaid schools and this will be done in the best possible manner. "The Foundation for the Oppressed is under the obligation to supply 17 suitable buildings and around 120 mini-buses to the Martyrs' Foundation for this purpose," he added.

The Official in Charge of the Headquarters for Planning the Educational Affairs of the Martyrs' Children continued by saying that schools had also been selected in other cities for this purpose and their number was proportional to the number of martyrs' children in each city. He added that the Martyrs' Foundation, together with the Ministry of Education, had the long-term plan of establishing 250 schools to accommodate all martyrs' children and the funding for this program would be supplied, as per the Emam's order, by the Foundation for the Oppressed, the 15th of Khordad Foundation and the Martyrs' Foundation.

With regard to the use of child care centers for martyrs' children, Kashfi said that the Pre-School Committee of the Headquarters for the Educational Affairs of Martyrs' Children had reached the conclusion that it was not necessary for children to be kept by child care centers unless their mothers were ill and depressed and they were, consequently, either physically or mentally unable to care for and educate their children. He added that the aforesaid Committee insisted upon establishing pre-school classes for children of 5 or 6 years of age as well as mixing the martyrs' children with children of other parents.

Mr Kashfi reiterated that this year, in addition to establishing preparatory classes for the university entrance competition, as well as other extra-curricular classes and improving the quality of the classes that already existed, it had been decided that 5 percent of quotas of universities around the country would be reserved for the children of martyrs, the missing, the prisoners of war and the wounded and suitable dormitories had been set aside for them. He added: "The Martyr Ayatollah Soduqi Educational Complex in Qom and the Emam Sadeq School Shiraz have been put at the disposal of the Martyrs' Foundation to accommodate martyrs' children and certain programs, to be announced at a later date, were elaborated in this regard."

Mr Kashfi concluded by thanking all the ministries, government offices and revolutionary entities and, in particular, the Ministry of Education, for their satisfactory cooperation with the Martyrs' Foundation. He was critical, however, of all the units of the Voice and Vision of the Islamic Revolution, with the exception of the News Unit, for their lack of cooperation with the Foundation.

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COMMENTARY VIEWS, CRITICIZES BUDGET

Kathmandu THE MOTHERLAND in English 14 Jul 86 pp 3-4

[Article by Dr B.P. Shrestha]

[Text]

The government revenue, development expenditures and foreign aid estimates are some of the most crucial components of a budget. The long tradition of gross exaggeration and over estimation in budget compilation, undermining the credibility of the government, should have been discontinued to mark the beginning of a healthy and realistic exercise in budget preparation. Unfortunately, this time too, the unhealthy tradition is continued as in the past.

As in the previous years, the revenue increase during 2043/44 is overestimated at 27 percent from Rs. 462.47 (Revised Estimate) crores in 2042/43 to Rs. 587.51 crores as against the actual increase by 14.9 percent in 2041/42 and 18 percent in 2042/43 (RE). Looking at the past trend and the tax measures proposed in the budget estimates, the revenue is not likely to increase by more than 20 percent. In all probability the rate will be somewhere between 15 percent and 20 percent. In the budget estimates for 2042/43, the revenue increase was overestimated in the same manner at 36.3 percent. The revised estimate has already scaled it down to half the original rate of increase.

Likewise, the development expenditures are projected to increase by 46.9 percent in 2043/44 as against the actual increase by 3.6 percent in 2040/41, 6.3 percent in 2041/42 and 9.2 percent in 2042/43 (RE), reflecting, among other things, the administrative capacity of the government and the absorptive capacity of the economy. Even the fiscal target as envisaged in the Seventh Plan does not call for such large development outlay in 2043/44. The gross over-exaggeration of the development expenditures in the previous year (2042/43) may be seen from the fact the rate of increase originally estimated at 35.4 percent has been revised and estimated as only 9.2 percent ! There is no justification for presenting over-exaggerated estimates intentionally or otherwise, only to give a good look. Assuming that the govern-

ment has the capacity to carry out development activities on that scale and the economy also has the immediate capacity to absorb the huge amount usefully and productively without wastage, the resource gap will be so large that it will need domestic borrowing twice as much as the amount estimated in the proposed budget, even if the over-estimated foreign aid will be forthcoming as expected. This will only accentuate the serious problems of inflation, trade and current account deficits, afflicting the country at present due to mismanagement of the economy over the past few years.

There is no clear evidence as yet on the basis of which one could reasonably believe that foreign aid in 2043/44 will increase by 64.6 percent (grant by 71.9% and loans by 60.1%). The actual increase in foreign aid in 2041/42 was only 5.1%. It is expected to increase by 34.6% as against the original estimate of 62.3% during 2042/43. Besides, we still have the problem of our inability to make an effective utilization of the available aids. The rate of utilization of foreign aid is still very low.

It is not intended to suggest in anyway that the development outlay should be scaled down. On the contrary, development outlay should be geared up but only with corresponding measures for mobilisation of adequate domestic resources. The development expenditures continued to remain more or less constant at 12—13% of GDP and the government took measures to restrain expenditures only at the cost of development in the past few years. This may be seen from the fact that while regular expenditures increased by 13.8%, 27.8% and 24.0% during 2040/41, 2041/42 and 2042/43 (RE), respectively, development expenditures recorded an increase by only 3.6%, 6.3% and 9.2% (RE) during the corresponding years.

In the first place, even if the total revenue of the government will increase by 27.0% or estimated (which is most unlikely), the government revenue as percentage of GDP is not likely to register any significant increase. In all probability, the proportion will remain at 9.3% or 9.4% as at present. Even in countries with per capita income lower than that of Nepal, as much as 14 to 20 percent of the GDP was mobilised as revenue of the government in 1983. Likewise, the revenue surplus as percentage of GDP will not be higher than what it was during 2040/41 and the overall net budget deficit as percentage of GDP will also remain as high as it was during the previous years. On the other hand, over dependency on foreign aid measured by the proportion of foreign aid to local development expenditures, will grow from 48.8 % in 2041/42, 60.6% in 2042/43 (RE) to 67.9% in 2043/44 according to the proposed budget estimates.

All this may be attributed to the fact that there is no attempt as in the past to bring about any structural change in the tax system, which has been overdue except tinkering with the existing rates as usual. The narrow tax base is largely due to total tax exempt or high tax exempt limits in our tax system.

Some of the major segments of the economy still enjoy tax-exempt status. The agricultural sector which generates almost 60% of our GDP contributes only one-third of one percent of GDP as revenue. Likewise, the low tax elasticity (0.7% or so) may also be attributed to tax-exempt status of potential areas such as agricultural income and capital gains, for example. The cost-recovery ratio in certain government services is terribly low, indicating another potential area for resource mobilization for development.

The government fiscal measures for forced saving through taxation are, therefore, at great variance with its own fiscal policy pronouncements. If the government is not prepared to mobilise resources through taxation as it should be, it may be prepared to encourage voluntary savings. On the contrary, the government fiscal measures are likely to discourage even such voluntary saving. The graduated tax rates on interest earnings from fixed deposits may be mentioned in passing as a case in point. In a country like Nepal where inflation is partially or fully offsetting the real value of the money income from such deposits, the proposed tax increases on interest earnings seem to be motivated purely from revenue consideration.

In brief, it is highly unlikely that the money supply and price rise can be restrained to reasonable limits during 2043/44, nor is there any firm basis for hope that there will be significant improvement in our trade and current account deficits. While admitting that the economy has run down in many respects, it is not fair to refrain from taking adequate measures to restore health to the economy.

The preparation of budget estimates for 2043/44 should have provided an excellent opportunity for preparation of adequate ground works for launching in a full-fledged manner the necessary programmes to meet the basic needs and attain the Asian standard by 2000 AD as called upon all countrymen by His Majesty the King with vision beyond this century. The current development thrust in terms of both resource allocation and programme contents is inadequate to attain the goal in the specified time. For whatever reasons, the development programmes have accumulated over the years a lot of 'unwanted fat' tending to clog the economy. The budget preparation for 2043/44 should have provided the first opportunity to the new government for major surgery which has been long delayed due to populist policy of appeasement. Likewise, the fiscal year 2043/44 should have been the beginning of the necessary re-ordering of priorities, shifting of emphasis and re-alignment of sectoral linkages for meeting the basic needs and attaining the Asian standard by 2000 AD. Unfortunately, in all these areas, there is hardly any substantial change, either in policy or in programme contents in the proposed budget for 2043/44. We are not only missing the best opportunity, but also losing the most precious year.

/9317
CSO: 4600/446

COMMENTARY DISCUSSES ENERGY USE, DEVELOPMENT

Kathmandu THE RISING NEPAL in English 16 Jul 86 p 2

[Text]

AS ENERGY requirements and consumption have been growing progressively in the Kingdom as a result of increasing population, the need for making available adequate supply has been all the greater in view of the dwindling sources of traditional energy which account for around 90 percent of the total consumption. As heavy strains have been built up on the forests of the Kingdom for supplying the fuelwood for the Nepalese people over the years, leading to a considerable reduction of the forest cover with consequences of such depletion beginning to show up in environmental deterioration in various parts of the country, the Kingdom has no other way than to explore possibilities of alternative energy, at the same time continuing vigorous efforts to increase forest cover in the country. The Economic Survey 1985/86 has noted an expected increase in the total energy consumption of the country by three percent during the above fiscal year compared to the preceding year's figure. The per capita energy consumption in the country is estimated to be 369.1 kg coal equivalent.

The Seventh Plan has taken due note of the imperative need for the development of alternative energy to meet the energy requirements of the Kingdom in the long term. As increasing exploitation is bound to render the non-renewable sources totally unable to meet

the growing demand for energy, the future of the world,'and for that matter of Nepal, lies in developing renewable energy sources to continue to fuelthe developmentandsurvival of the world community. In Nepal's case, the biggest source of such energy and the future hope lies in the proper harnessing of its vast water resources. As development of water power fully will involve huge capital investment and highly sophisticated technical know-how and equipment and encompass other crucial factors like marketeability of electricity,the main concern at present has been to generate hydroelectricity so as to meet the internal demand. In line with this, various electricity projects have already been commissioned and several others are in the process of implementation. Till the first nine months of the fiscal year 1985/86, electricity had been supplied to a total of 42 district headquarters and the programmes are afoot to supply electricity to an additional 20 district headquarters, with feasibility studies for 11 district centres nearing completion. During the first nine months of the year under review, 250 kw hydropower was added to the country's total power production capacity.

The consumption of petroleum products is expected to go up in the country during the fiscal year 1985/86 compared to the preceding year's consumption. But, the value of consumption in monetary terms is expected to go down in the year surveyed to 27.9 percent of the total merchandise exports of the country brought on by the tumbling of oil prices in the world oil market. The Survey points out that nine water mills were being installed in the year just ended on the alternative energy front. Similarly, 126 solar collectors, one 15,000 kilolitre-capacity water heater storage and 42 water heaters of various capacities were produced anddistributedin the last fiscal year. A

total of 212 bio-gas plants were constructed and distributed in the first ten months of the last fiscal year. Solar and wind energy, along with hydropower, could drastically reduce the country's dependence on traditional sources of energy, if tapped properly and adequately. The rationale for Nepal's efforts to meet the growing energy requirements without impairing the fragile ecological balance boils down to sharply reducing the present reliance on traditional energy by developing alternative energy in which Nepal has great potential.

/9317
CSO: 4600/446

NEPAL

SURVEY REPORTS STATISTICS ON EDUCATION, SCHOOL ENROLLMENT

Kathmandu THE RISING NEPAL in English 13 Jul 86 pp 1, 5

[Text]

Kathmandu, July 12:

There was one teacher for every 33.3 students in Nepal in September last year when the total number of school going children reached 2.315 million and the number of teachers increased to 69,501. The proportion of trained teachers is 35.9 percent.

According to the Economic Survey of the fiscal 1985/86 which was presented to the Rastriya Panchayat the other day 200 new primary schools were set up and 1257 primary school level teachers were recruited in the current fiscal year. This was in line with the goal of making the primary education free to all citizens.

Thirtytwo primary schools were set up in the private sector which should be viewed in the light of the policy of His Majesty's Government to mobilise private sector in the field of education providing them with essential facilities.

The Primary schools enrolment reached 1.891 million in September last year compared to 1.748 million in 1984.

The primary education project has been running since 1984/85 with the objectives of improving quality of primary education at a lower cost and strengthening administrative and technological ability in the field of education.

Having five years duration, the project is run in Jhapa, Dhankuta, Tanahu, Kaski, Dang and Surkhet districts. Achievements so far have been satisfactory.

Although there was no programme to establish new lower secondary and secondary schools during the current fiscal year, 102 lower secondary school level teachers were recruited.

Similarly 148 secondary level teachers were also recruited.

Enrolment in lower secondary and secondary schools reached 254 thousand and 242 thousand respectively. About 165

more lower secondary and 101 additional secondary schools were established in the private sector.

Schools established in the private sector mostly in the rural areas get government subsidy along with permanent sanction.

In the total enrolment ratio of the girls was 30 percent, 26 percent and 23 percent in primary, lower secondary and secondary schools respectively.

To produce trained and qualified teachers training programmes were implemented and 391 teachers in primary level, 62 in lower secondary level and 36 in secondary level were trained. This apart, teachers also received training through the primary education project, science education project, women teacher training programme. and different integrated rural development projects.

As part of the adult literacy programme, 700 classes are running in 28 districts of the country to make 21 thousand adults literate or work oriented literate.

In order to improve the science education in the secondary schools the science education project implemented three years ago will operate in 25 districts. In addition to secondary level education, the project plans to construct and extend buildings for six science campuses under the Tribhuvan University.

The number of students admitted at different educational institutes of Tribhuvan University reached 55,555 in 1984-85 which is expected to decrease slightly in the current fiscal year. But the students admitted to all technical institutes is expected to increase further reaching 10,582 in 1985/86.

There are 116 campuses in the country of which 69 are operating under the Tribhuvan University management and the rest are running by the private sector.

/9317
CSO: 4600/446

BRIEFS

ROYAL COUPLE TO VISIT FRG--Kathmandu, July 13 (RSS)--Their Majesties King Birendra Bir Bikram Shah Dev and Queen Aishwarya Rajya Laxmi Devi Shah will pay a state visit to the Federal Republic of Germany from October 20 to 24, 1986, at the invitation of His Excellency Mr Richard Von Weizsacker, President of the Federal Republic of Germany. This stated in a notice published here Sunday by the Principal Press Secretariat of His Majesty the King. [Text] [Kathmandu THE RISING NEPAL in English 14 Jul 86 p 1] /9317

CSO: 4600/446

GOVERNMENT, CITIZENS, URGED TO CURB LAWLESSNESS, BUILD DEMOCRACY

Karachi JANG in Urdu 13 Jun 86 p 3

[Editorial: "Why Such Wrong Traditions?"]

[Text] Prime Minister Mohammad Khan Junejo, while commenting on the political situation in the country, has made it quite clear that he will not allow any opportunist to grab political power through underhanded and unlawful methods. Nobody, he said, would be permitted to use the new political freedom in the country for spreading disorder and lawlessness. Democracy has been restored after 8.5 years of martial law, and political activities are at full swing. The political freedom we have enjoyed during the last 5 months has no parallel in the whole of our history. But unfortunately, with the passage of time, the political atmosphere is again becoming clouded with uncertainty. Besides the demand for premature elections, other demands are being made that, if met, would only lead the nation to conflict and anarchy.

Unluckily, whenever we get political freedom some elements in the country think it to be a license for breaking all moral and political rules and getting engaged in anti-national activities that could only lead to the complete disintegration of the country. When things get out of hand and an undemocratic regime comes into power, they begin to clamor for democracy again. We should never forget this self-evident truth that democracy demands each and all of us to do our duty in protecting it. We must follow the traditions of democracy honestly. We should learn a lesson from the bitter experience of the past. Here the question arises: Why are some people trying to change a ruling party that has been chosen by the majority of Pakistani people to serve for 5 years? It is true that in a democratic system the opposition is free to say what it thinks, but it must be done within the limits of law and in accordance with the democratic traditions. If the aim of a political party is to grab power in the country by fair or foul means, its activities can be called everything except democratic. It is a pity that despite having been through this experience time and again, some people in the country have not learned any lesson from it. If the government does not give them liberties they accuse it of being autocratic, and if it assumes a liberal policy they begin to behave like giants that could destroy the regime with one blow. It is an undeniable fact that whenever political changes are brought about through lawlessness, turbulence and confusion, the result is nothing but defeat, shame and humiliation for the nation. It is painful to note that such people, just

for the sake of popularity, begin to indulge in slogans that would hurt the stability and integrity of the country. It is hard to guess why they behave like this, but we can say with certainty that such people, like "the prince" in Machiavelli's book, want to grab and keep power at every cost. The good of the country and the service of the nation has no place in their vision of politics.

The history of our country teems with incidents that show us the results of such politics. Our country has been split in two, the development projects are moving at a slow pace, very few of the natural resources are being tapped, the burden of foreign loans is increasing every day, and the dream of becoming self-sufficient is receding farther and farther away. The problems of education, health and employment are becoming graver every day. A basic utility like electric power is becoming scarce, inflation has broken the back of the public, 70 percent of the people have no clean drinking water, the land is being consumed by salinity and waterlogging, our enemies across the border are planning our complete annihilation, and look at the great "leaders" of the country who think that the solution of all these grave problems lies in mid-term elections, regional and linguistic prejudices, clashes, confusion and processions: None of them seems to understand that no nation can make progress if it is deprived of peace, unity and stability.

Democracy demands that everybody wait his turn; it also demands that the will of the majority be respected. Democracy may give you the right to imagine that your political plan is the panacea for all our national ills, but trying to force your method on the nation through lawless and coercive means is most definitely undemocratic. We think that the current political freedoms give all political parties, including the Muslim League, the opportunity to organize themselves. The League should try to show good performance in the field of national service so as to induce the people to vote for it in the elections of 1990. The opposition parties should spend this time in organizing themselves internally, and trying to win public appreciation by presenting attractive political manifestoes before them. This is the only positive method by which we can make our political future secure. This is the only way to make the democratic traditions flourish in our country. Those who are trying to weaken the government by using negative methods, only want to sabotage the progressive activities in the country. Even a child can imagine what these people, who are destroying the peace and integrity of the country to topple the ruling party, will do when they have the reins of the government in their hands.

We made this lengthy statement because some political parties think that the only way to serve the country is to start a country-wide campaign of strikes, lockouts and non-cooperation with the government. They are determined to put this scheme into practice. There is no need of going into the pros and cons of this scheme, but we think it our duty to give a word of warning to our 90 million countrymen. The destiny of a nation is not made by a few individuals but by the people of a country. They should use their political awareness to reject every activity that goes against the national integrity.

We would also say to the government that they should not only teach others to be law-abiding but also keep the members of the ruling party under control. Governments that cannot see their own faults can rule for some period of time but cannot win the hearts of the nation forever. We hope Prime Minister Junejo will make the best possible use of the rare chance that national politics has given him of wiping out the wrong traditions from the country.

12476
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SRI LANKA

TAMIL RESISTANCE LEADER WARNS SWEDEN AID PROJECTS IN DANGER

Stockholm DAGENS NYHETER in Swedish 9 Jun 86 p 13

[Article by Goeran Beckerus and Charlotte Wrangberg: "The Tamils Warn Sweden"]

[Text] Madras--The main street of Jaffna, a weekday morning 6 years ago. The mayor is taking his morning walk. Perhaps he is going shopping. Out of the corner of his eye he sees a short young man coming on a bicycle.

When the bicyclist pulls up even with him, the mayor discovers that the bicyclist holds a revolver. Shots go off and the mayor falls dying on the street. The bicyclist proceeds on calmly and disappears into a sidestreet.

Thus began the war in Jaffna. The bicyclist's name was Velupillai Prabhaka, now the legendary military leader of LTTE, the Liberation Tigers of Tamil Eelam, one of the four Tamil guerrilla organizations in Sri Lanka.

The murder of the mayor of Jaffna--an informer and a traitor, according to the Tamils--is one of the myths that flourish around Prabhakaran, 32, a nicely chubby, pleasant, almost shy guerrilla leader. Perhaps the story is true.

Sure of Victory

We meet him in his headquarters in Madras, India. He is well guarded and constantly shifts his hiding place. His guards are armed with Russian machine guns--AK 47 Kalashnikov--captured from the Sri Lankan Government troops in one of the innumerable ambushes which form the principal strategy of the Tamil guarrillas.

Prabhakaran does not doubt an instant that his troops can win a military victory.

"Our soldiers are very well disciplined," he says.

Each and every one of the "Tigers," even Prabhakaran, carries a cyanide capsule on a chain around his neck. In accordance with their strict moral code, they will bite into the capsule and commit suicide if they risk being taken prisoner by the government soldiers. About 40 of the "Tiger" soldiers

have taken their lives in this manner, states Yogi, a 35-year old civil engineer from Jaffna and one of the many university graduates who make up the backbone of the "Tigers" organization.

Prabhakaran's "Tigers" say they now control the entire northern part of Sri Lanka. Their position is weaker in the eastern part. But an offensive is under way, although the right moment has still not occurred, he says.

Wool over the Eyes

In contrast to Dr Balasingham, the political spokesman of the "Tigers" (see Dagens Nyheter interview of 5 June), Prabhakaran does not entertain any compromise as regards their political goal, an independent political state. Their differing view reflects the usual split between the military and political leaders of a guerrilla organization.

"Time has run out on a federal solution," says Prabhakaran. "Our people are disillusioned. Time after time the government has deceived us. No one believes any longer that it sincerely desires to meet with us. An independent state is therefore the only solution that the people believe in."

He sees the ongoing peace negotiations only as an attempt by the government to pull the wool over the eyes of the countries that give aid to Sri Lanka.

"It is just the usual annual exercise by the government to influence and calm donor countries and show that it is trying to find a political solution," he says.

Aid is a very strategic factor in the war between the government and the Tamils. Both parties try to influence the aid donors to take sides in the conflict.

"The aid contributes to the genocide of the Tamils," says Prabhakaran. "Everyone knows that the government buys arms with the aid money. The countries that give aid encourage the Sri Lankan Government to continue its oppression of the Tamils."

Prabhakaran thinks that if aid were withdrawn the government would not be able to continue the war against the Tamils, and he calls for an economic boycott against Sri Lanka.

"It is the only way for the Western European countries to demonstrate their abhorrence of the genocide that is going on," he says. Prabhakaran does not exclude of the possibility of aid facilities becoming the next target for the guerrillas.

"We do not have any immediate plans for any such attacks. But if the government's bombing of defenseless Tamils continues, we will reconsider our position," he says.

Kotmale Threatened

The Swedish-built Kotmale power plant in Sri Lanka is thus in the danger zone. Dr Balasingham gives a clear warning to the Swedish employees at Kotmale:

Go home. The project is in danger, he says.

Security at Kotmale has also been strengthened. Eighty specially trained guards have been added solely to deal with the guerrilla threat.

Recently a dam was destroyed at Kantalai in eastern Sri Lanka. More than 2,500 persons were allegedly killed according to a report from the Norwegian Red Cross. Sabotage is suspected, but has not been confirmed.

"The dam was blown up by an organization called ERCP, Eelam Revolutionary Communist Party," Prabhakaran says.

The guerrillas' problem is that it is difficult to control the small, armed Tamil fringe groups. These groups are thought to [be] behind the bombing in Colombo.

However, the Tigers publicly disavow such sabotage activities: "It is not our policy to harm innocent people," Prabhakaran says.

Nor does he want to warn tourists from visiting Sri Lanka. "But," he says, "I cannot understand what kind of people want to come as tourists to a country whose citizens are being butchered by the troops of their own government."

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